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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1991

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

ON

H.R. 5803/S. 3189

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1991, AND FOR OTHER PURPOSES

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DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1991

THURSDAY, MARCH 29, 1990

U.S. Senate,
Subcommittee of the Committee on Appropriations,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, DeConcini, Bumpers, Stevens, Kasten, D'Amato, Rudman, Cochran, and Specter.

DEPARTMENT OF DEFENSE

Army Budget Overview

STATEMENT OF HON. MICHAEL P.W. STONE, SECRETARY OF THE ARMY

OPENING REMARKS OF SENATOR INOUYE

Senator Inouye. This morning the Subcommittee on Defense Appropriations will receive testimony from the Honorable Michael P.W. Stone, Secretary of the Army, and Gen. Carl E. Vuono, Chief of Staff, on the fiscal year 1991 Army budget.

On behalf of the committee, Mr. Secretary, welcome, sir, to your first appearance before us. We look forward to working with you in addressing the many challenges that will be facing the Army this year. Together with the Secretary we have the Chief of Staff and Lt. Gen. Donald S. Pihl, Military Deputy to the Assistant Secretary of the Army for Research, Development, and Acquisition.

Mr. Secretary, the events occurring in the Soviet Union and Eastern Europe and Central America are changing the political and military world around us. These profound events should cause us to reevaluate the defense strategy that has served us well for over 40 years. Nowhere will the effect on our military be greater than on the roles and missions of the Army and Marine Corps ground forces.

Congress and the Pentagon will need to examine closely the future of both institutions to determine the requirements for the unique military contributions of each and eliminate any unnecessary duplications.

As the military service with the highest percentage of personnel overseas, the Army faces many challenges as we look to a future with a revised land warfare doctrine, negotiated conventional force reductions in Europe, and growing budgetary constraints.

The Army funding request for fiscal year 1991 is $76.1 billion. This is $1.6 billion less than the postsequestration level provided by the Congress in fiscal year 1990. The Army's fiscal year 1991 budget proposes the elimination of two Active divisions in the continental United States, thus reducing force structure to 16 Active divisions and 10 Reserve divisions.

The budget also proposes several programs for cancellation, including the M-1 Abrams tank, the AH-64 Apache helicopter program, AHIP, and the fiberoptic-guided missile. The Army, more than any other service, has decided to slow and, in some cases, terminate current procurement and modernization programs in order to continue to support a robust research and development program to meet an as-yet undefined future threat.

The outcome of ongoing negotiations for conventional force levels in Europe, as well as proposed changes to U.S. force structure in the Pacific rim, may dictate additional force structure changes in the near future. As events continue to unfold, current military requirements and procurement actions underway must be reevaluated to prevent fielding weapons and other materiel for force structure and requirements which may no longer exist.

This committee has serious concerns about how additional budget reductions will affect the Army. Statements from the Secretary and Deputy Secretary of Defense indicate that the Navy will experience fewer reductions than the other services. At the same time, real increases in funding for Air Force strategic programs are proposed in fiscal year 1991.

It appears to this Senator that the Army has taken the largest share of the reduction in fiscal year 1991 and may bear the burden of further decreases in future budget deliberations. What concerns me the most is the impact that additional reductions may have on personnel in the middle grades of the enlisted and officer ranks and their families.

Mr. Secretary, we have reviewed your statement and, without objection, it will be made part of the permanent record.

Before we begin this morning's hearing, I would like to take this opportunity to recognize Lt. Gen. Donald S. Pihl on his impending retirement. Lieutenant General Pihl has distinguished himself during his 31-year Army career, most notably in his leadership and personal commitment to the Army's modernization program. So, on behalf of the committee, I want to wish Lieutenant General Pihl and his wife, Sandra, many years of health and happiness as they enter retirement together.

General PIHL. Thank you, sir.

Senator INOUYE. Mr. Secretary and General Vuono, we have your statements and you may proceed as you wish.

SUMMARY STATEMENT OF SECRETARY STONE

Secretary STONE. Thank you very much, Mr. Chairman.

If I may respond in part to your opening remarks, which I thought constituted an excellent summation of some of the problems that are facing the Army today and some of the factors in the world scene that are also shaping what we are trying to do, I would like to concentrate on that part of your remarks which expressed your concern about the pace of events and the possible consequences on senior enlisted people in the service. I would like to do so because it happens to be in direct accord with some concerns that I have too.

I would like to call the committee's attention to the fact that what the Army has done over the last 15 years is a remarkable achievement, in my opinion. I have now been in the Army for 4 years and have had a chance to observe the tremendous accomplishment that has taken place in the Army during the past 15 years as we have developed a volunteer professional Army.

VOLUNTEERS IN STATISTICAL TERMS

Now, what does that word "volunteer" mean? I like to think of it in statistical terms. We are getting today 35,000 young people in the United States, 35,000 people per year, to dedicate their professional lives to the U.S. Army—3,000 a month, 100 every day. Young 17-, 18-, 19-year-olds are signing up for a 20-year professional career with the U.S. Army.

That is a very sizeable group of young people. I am not talking here about officers and I am not talking about, at least as they progress in their career, the young people who join the Army for one hitch or maybe two hitches where they are perhaps obtaining educational credits and then going back to the private sector.

I am talking about the people who are in their second or third year in the Army who decide that this is a profession to which they would like to dedicate the next 18 years of their lives. That is a very sizeable proportion of our young population in the United States today.

The problem that we have is to deal equitably and fairly with those people as we reduce the size of the Army. One of the principal ways that we are planning to deal with that, if we can, is to deal with it in a way that allows us to manage the reduction so that it does not take place too abruptly.

So my first point is that we need to be able to manage that reduction in a way that does not result in the disintegration of what we have tried over the last 15 years to create in terms of a professional volunteer Army.

TRANSITION DIFFICULTIES

The second point is even more directly related to your words, and that is that the Chief and I have asked our staffs to prepare a program of exactly what we can do to cushion the transition between the 765,000 Active component Army that we have today and one that will be, for the sake of example—we are not sure exactly where it is going to be at this point—say 600,000 3 or 4 years from today.

How do we take down that 165,000 people and what provisions do we make for their transition into civilian life? I can assure you that program is being developed so we can deal, as I said a moment ago, equitably and fairly with those people who have entrusted their professional lives to the Army.

Senator INOUYE. If I may interrupt at this point, I am happy to hear that because I can see some of the reductions being rather traumatic for the families. I can imagine some GI whose wife is pregnant suddenly receiving notice. Who is going to pay for that pregnancy's medical services upon termination?

As I indicated to you earlier, this afternoon at 3 the U.S. Senate will be casting their votes on a very important amendment, an amendment that will recognize the trauma and the pain that Americans have to go through as a result of national action in the Clean Air Act. There will be rather massive layoffs in certain industries, and the amendment we will be thinking about will be the layoffs in the coal industry.

We will have similar layoffs—I hate to use that word, but that is what it is—of men and women in the service. They will be equally traumatic and equally painful. If we are to take care, and rightfully so, of fellow Americans who as a result of national decisions find themselves in pain and trauma, then I think the least we can do is take care of our men and women in uniform.

Right now, as you are well aware, officers have severance pay; enlisted personnel do not. The insurance program that you have in place to cover the transition is too expensive. I have looked over the schedule, and even I, with congressional pay, may find it difficult to pay those premiums.

So I would hope that your special task force will take all of this into consideration, and do not be surprised if you see measures calling for severance pay and such.

Secretary **Stone**. Thank you, Mr. Chairman. I can give you the assurance that those problems are receiving very careful attention.

[The statement follows:]

STATEMENT OF MICHAEL P.W. STONE

Mr. Chairman and members of the committee, it is a pleasure for me to appear before the Committee today to report on the state of the United States Army in 1990 and to outline Army priorities for the coming years. On this, the threshold of a new decade, I am proud to inform you that we enter these uncertain and exciting times with a trained and ready Army, the most capable peacetime force in our history.

The Army's participation in Operation Just Cause, the largest, most complex contingency deployment and employment of United States forces since World War II, was an unambiguous demonstration not only of substantial improvements in joint warfighting and of the superb capabilities of our contingency and special operations forces, but also of the validity of six fundamental imperatives that have guided, and will continue to guide, the development of the Army for the future—quality soldiers and civilians, forward-looking warfighting doctrine, appropriate size and mix of forces, tough and realistic training, necessary modernization, and competent leaders.

While the operations in Panama are foremost in our minds, we must not forget that during the past year our Army successfully accomplished many other missions. Some examples include the maintenance of our forward-deployed forces in Europe and Korea, which continued to demonstrate support for our NATO and Asian allies. The implementation of the Intermediate-Range Nuclear Force Treaty continued with the destruction of Pershing missiles at Army supervised sites and the participation of Army personnel in monitoring Soviet compliance. The Army continued support to United Nations peacekeeping missions in the Middle East as well as to Joint Task Force Middle East's operations to protect shipping in the Persian Gulf. Army support also continued for a broad range of security assistance and nation building programs in over 130 countries.

During 1989, the Army exercised capabilities that spanned the range of roles and missions on the domestic front. Our soldiers supported disaster relief efforts in the wake of Hurricane Hugo, the San Francisco earthquake, the Alaskan oil spill, and numerous forest fires in the western United States. Additionally there was a significant increase in Army support for federal drug interdiction efforts, with increased support to federal, state, and local law enforcement agencies, as well as to other governments, and the establishment of a major joint service headquarters at Fort Bliss, Texas.

The success of these operational missions and new management initiatives are testimony to the dedication and commitment of our soldiers and civilians. The Army is well positioned to face the challenges of the new decade.

INTERNATIONAL SECURITY ENVIRONMENT

Our strategy is based on the tenets of forward-defense, coalition warfare, and flexible response. It is forward-deployed, globally oriented, and focused on the NATO Alliance. The question we now face is whether our Army is properly structured and equipped to meet the emerging strategic requirements of the 1990s and beyond.

As we enter the 1990s, our Nation faces a significantly more complex and varied security environment than at any time in our recent history. This environment must frame our defense requirements for this new decade and beyond. The world has become multipolar and thus less subject to superpower influence. The world economy is becoming more integrated with the development of new centers of influence. Allies are becoming more assertive in pursing their interests. The turbulent developments of the past year give us grounds for cautious optimism as well as cause for increased concern.

Within the Soviet Union, President Gorbachev's programs of perestroika and glasnost suggest that Soviet emphasis on massive military power, centralization, confrontation abroad, and repression at home is changing, at least temporarily. We encourage these positive developments, but we also recognize that their stated intentions are in a rudimentary stage of implementation. Despite unilateral cuts, the Soviets have never talked of reducing the readiness of their forces and their modernization effort continues. Indeed, the new emphasis appears to be on quality as the Soviet Union implements President Gorbachev's announced force withdrawal and restructuring programs. There are many encouraging signs of a reduction of the Soviet military threat worldwide, but it will take time for the final results to become apparent. Meanwhile, United States military posture must be designed to meet capabilities, not stated intentions.

A second area of major concern is the increasing instability in Eastern Europe and within the Soviet Union itself. Recent events in Poland, Hungary, Romania, East Germany, Czechoslovakia, and Bulgaria clearly demonstrate the volatile nature of events within the Warsaw Pact. And within the Soviet Union itself, growing nationalism and ethnic unrest further complicate their situation and contribute to uncertainty and instability.

Developments in the Third World, where conflict is all too frequent, often threaten United States security interests. The military forces of many of these countries are now equipped with modern, lethal weapons systems. Economic and domestic problems in these countries provide the background for increasing instability and fertile ground for insurgency. In light of the proliferation of modern weapons in the developing world, this potential for increased instability and conflict poses a significant threat to our national security.

In an era of decreasing superpower tensions, international terrorism has emerged as a primary threat to United States policy, citizens, and the military. Not constrained by political frontiers, and aided by relatively easy access to arms and munitions, the international terrorist can strike across the globe virtually at will. Terrorism often becomes the prime weapon of the weak against the strong.

The continuing flow of illegal drugs into the United States and the demand for such drugs in our society have created an unprecedented and perplexing threat to our national security. Compounding this major threat is the indication that terrorist groups are becoming more involved in narcotics trafficking because it offers lucrative sources of revenue and a network for obtaining sophisticated arms and explosives. As the federal campaign against drugs intensifies, the potential threat to American lives and vital interests will increase.

The vital interests of the United States are increasingly linked with those of our allies and other friendly nations. Our coalition strategy, working in cooperation with allies and friends to protect our mutual interests, has produced an unprecedented period of peace and stability in Europe and Northeast Asia. The evolving international environment is, however, making alliance relations more complex, with several close allies emerging as leading economic powers in their own right. Changing political and economic conditions will affect allied security arrangements, and there is potential for an evolution in the sharing of defense burdens and risks.

There are also certain domestic realities which have substantial impact on the security environment. As a Nation, we face numerous domestic problems which call for the commitment of increasing amounts of our already limited national resources. This, coupled with a growing sense of euphoria over events in the Soviet Union and Eastern Europe, has created a climate where pressure for cuts in the defense budget is growing.

STRATEGIC ROLE OF THE ARMY

The increasingly complex international security environment and the uncertainties of the future demand a national military strategy which is multi-dimensional and oriented on defending our national interests wherever and whenever they are challenged. The Army is an indispensable component of this military strategy. As the first echelon of strategic deterrence, the Army provides sustained land combat power to defend the vital interests of our Nation and to protect the values on which this Nation was founded. The Army fulfills essential strategic roles. Army forward-deployed forces stand ready to respond immediately in critical areas of the world, contingency forces provide forced-entry capabilities for insertion into threatened areas, and reinforcing forces are available for maintaining sustained land combat. In addition, Army short-range nuclear forces provide an essential link between conventional forces and intercontinental nuclear forces. Finally, the Army provides regional peacekeeping forces, security assistance to allies and friends, and support to civil authorities. All of these critical Army strategic roles have been, and will continue to be, essential to the defense of the United States and the protection of our vital interests worldwide.

SHAPING THE STRATEGIC ARMY

An analysis of the trends in the international environment and the strategic roles the Army would be called upon to fulfill in the 1990s has made it clear that the Army should be restructured to meet the complex and uncertain world of the future. The Army will be smaller, but it must also be expansible to meet contingencies. Although it may have fewer forces forward-deployed, it must have the ability to rapidly respond to all areas of vital interest to our Nation. Finally, it must be as capable as today's Army in fulfilling its strategic roles.

The Army of the future must be a balanced force. It must be modernized, trained, and ready to respond on short notice as required by our national military strategy. The Army must be shaped, not by short term, narrow interests, but rather by a strategic vision of the future. We must ensure that deterrence, stability, and ongoing arms control negotiations are not undermined by premature or excessive reductions in forces or capabilities. The wide array of potential threats to the vital interests of the United States requires an Army that is versatile, deployable, and lethal. The requirements presented in the 1991 budget reflect only the first step in the evolutionary process of shaping the strategic Army of the 1990s and beyond.

A quality force is paramount to meeting the strategic challenges of the future with a smaller Army. Quality people have been the key to our recent successes and these experiences have strengthened our conviction that we must continue to attract and retain the best educated, motivated, and ambitious young men and women our Nation has to offer. We must provide our soldiers, civilians, and their families with the kind of environment that stimulates their professional and personal growth. Quality people demonstrate the initiative, competence, and spirit necessary for a dynamic, flexible force. Quality soldiers and civilians, led by competent, confident leaders, continue to be the highest priority for the Army. More than any other single characteristic, the quality of the people will determine the versatility of the future Army.

Sustaining the readiness of the Army through this time of transition is essential. Tough, meaningful, and realistic training will continue to be the cornerstone of readiness for the Army. In view of the rapidly changing international environment, the precise time, location, and nature of the threat will always be uncertain. The Army must be able to respond to these contingencies without the need for extensive delays for retraining or mobilization. This versatility demands intensive, realistic training.

The worldwide nature of United States' interests and our national strategy will require an Army that is deployable. Our deployability needs can best be achieved through a combination of forward-deployed forces and contingency and reinforcing forces based in the United States—forces that are structured and equipped for easy deployability. It is apparent that we cannot count on having forces forward-deployed in every crisis area. Accordingly, we must invest wisely in strategic sea and air lift elements that are essential to our deployability and the preservation of our Nation's vital interests.

If the Army is to sustain a trained and ready force with the lethality necessary to meet strategic requirements, we must continue to modernize. Lethality is the assured capability to defeat an opponent, winning as quickly as possible to preserve our most valued asset—the lives of our soldiers. Maintaining lethality requires modernization, a continuous process which reflects our strategy, doctrine, technological advantages, and overarching commitment to providing our soldiers with the best equipment possible. We recognize that resources are limited, but we also know that our modernization strategy must support future wartime requirements and threat capabilities as well as fiscal realities. Modernization must capitalize on our advantages and strengths while exploiting the vulnerabilities and weaknesses of our potential adversaries. To develop our future capabilities on time, we will continue to emphasize aggressive research and development in key technologies that will provide the greatest increase in warfighting capability for each dollar spent. We must also be careful to protect and nurture the technological base and systems that are key to future modernization.

MANAGEMENT INITIATIVES

Throughout this process the Army has, and will continue, to review and improve Army management to ensure efficiency and effectiveness. Several years ago the Army began implementing the recommendations of the Packard Commission. Thus the Army was well poised to improve existing management practices in response to the recent Defense Management Review. The Army Management Review focused on three key elements: streamlining acquisition management, developing a corps of acquisition specialists, and introducing a series of new management initiatives.

In 1987, the Army, responding to recommendations from the Packard Commission, streamlined acquisition management by creating a three-tier reporting chain with project managers reporting through the program executive officer to the Army Acquisition Executive. In addition, as a result of the Army Management Review, the project managers and program executive officers will be resourced directly from the Department of the Army, rather than through other commands.

The Army Acquisition Corps is the Army's program to develop a dedicated corps of military and civilian specialists. When fully implemented, this corps will consist of approximately 3,000 officers and 1,300 civilians who will fill designated acquisition positions to guide the development and fielding of new systems. Centralized management will integrate education, experience, selection, and assignment processes to ensure that both military and civilian acquisition specialists are trained and certified, and developed as the acquisition leaders of the future.

The Army is also considering various management initiatives to reduce costs. Over 45 initiatives to improve efficiency and effectiveness while reducing costs are being considered, with many approved for implementation. These include streamlining and consolidating Army laboratories, improvements in logistics systems, streamlining contract management, and reducing supply system costs. Most importantly, this review is not a one-time effort, but rather a continuing process which will serve us well in the coming years.

The initiatives of the Army Management Review are not the only management improvement projects designed to sustain and support the Army of the 1990s. Other programs of note include environmental enhancement and compliance, Army Communities of Excellence, base realignments and closures, chemical demilitarization, civilian personnel management improvements, and Total Quality Management.

During 1989, the Army took significant steps to ensure compliance with all federal, state, and local environmental laws and to adhere to host nation laws and status of forces agreements overseas. Environmental awareness is being integrated into systems development, production, logistics management, acquisition operations, and all other functional areas. In addition, the Army has made excellent progress in cleaning up contamination from past disposal activities. Over 7,000 defense sites, formerly owned by the military services, have been identified thus far for investigation and cleanup, if appropriate. The Army recognizes its obligation to act as the steward of the natural resources within its control.

The Army's ability to accomplish its mission depends upon the performance of its people, and Army communities are vital forces which shape individual performance. The Army Communities of Excellence (ACOE) program is based on the principle that communities best support people by combining excellent facilities with excellent services. This program draws on innovation and creativity to make Army communities better. While some resources are necessary to improve stark, aging, or inadequate facilities, excellence in service often requires only committed leadership. The results of this program are apparent in the vastly improved quality of life, improved recruiting and retention, increased productivity and performance, and increased readiness of our force.

The Army has begun implementing the decisions of the 1988 Base Realignment and Closure Commission. The goals of Army planning are to ensure that maximum economies and efficiencies are achieved with minimal disruption to the Army's missions. Project management planning, environmental assessments, manpower requirements, and programming and budgeting are required to execute these actions. The process is dynamic, and lessons learned from this will serve us well as we transition to a smaller Army in the 1990s with further base closings and realignments. The resulting base structure will be smaller but will retain flexibility for the future.

A fourth major initiative has been in the area of chemical demilitarization. Destruction of our obsolete unitary chemical stocks will begin at Johnston Atoll in 1990 during an operational verification of the new chemical agent disposal system. After verification, facilities will be constructed, and the remaining unitary stockpile will be destroyed at eight storage locations. This project will save millions of dollars in storage and maintenance costs. Concurrently, the Army is planning for the accelerated withdrawals of the unitary chemical munitions now forward-deployed in Germany.

Because the quality of the civilian work force is a critical supplement to the quality of its soldiers, the Army has begun a Civilian Personnel Modernization Project to address those factors critical for the retention of a high quality civilian force. Among those factors are professional development, effective leadership, competitive pay and benefits, and recognition for a job well done. The goal of this long-term, continuous program is to enhance the readiness of the Army through a modernized, flexible civilian personnel system.

Finally, the Army is firmly committed to a philosophy of organized, continuous improvement which involves everyone in the Department working together in an integrated effort. Our philosophy of Total Quality Management integrates fundamental management techniques, existing improvement efforts, and technical tools into a disciplined approach focused on continuous process improvement. As we move forward into the 1990s, Total Quality Management will enable us to fully tap the potential of our people and technology to produce significant improvements in quality, productivity, and efficiency.

CHALLENGES OF THE FUTURE

We have a clear vision of what the future demands. We know the strategic roles we must execute, and we understand the qualities the Army must have in the next century. As we chart a course to ensure that we can meet our responsibilities, however, we confront a series of challenges that must be overcome.

First, we face a challenge in maintaining a quality force. As the Army is restructured over the next five years, it will become even more important that we recruit and retain the cream of American youth. A smaller Army, equipped with more modern weapons, and facing a more complex international threat will demand increasing versatility and initiative from each soldier. Additionally, since civilians comprise nearly one-fourth of Army strength and perform critical logistical, research and development, and base operations functions, it is essential that we attract and retain the best. There is no substitute for quality.

Next, we face a challenge in maintaining necessary modernization within constrained resources. Our modernization strategy is based on our analysis of threat capabilities and future wartime requirements. We will reduce or cancel those modernization programs which are useful, but not required by our strategic missions in the years ahead. We will continue those programs which provide essential capabilities and we will maintain an adequate investment in promising technologies and in our industrial base. We are also challenged to ensure that, through our acquisition program, we impose appropriate procurement criteria to get the best value from our resources. While the pressure will be great to make substantial cuts in the budget, we cannot sacrifice our future warfighting capabilities to budgetary expediency.

The third major challenge is to shape Army force structure to meet the requirements of our national strategy. The 1991 budget is not an end state but merely a step in the evolution of the Army of the future. While the dramatic events in the Soviet Union and Eastern Europe have created an atmosphere of goodwill and reduced tensions, we must not forget the current capabilities of our potential enemies and worldwide instability. We must guard against untimely and unilateral force cuts that would undermine arms control negotiations and seriously jeopardize the defense of our Nation and our allies. The Army of 1995 will be significantly smaller, but it will also be a balanced force that is versatile, deployable, and lethal.

Finally, we face a challenge in maintaining the viability of our national strategy in the midst of our Nation's fiscal realities. If we are not careful, we will create a new and insidious kind of deficit—a security deficit that, if not brought under control, will impose unacceptable risk to our Nation in the years ahead.

CONCLUSION

Throughout our Nation's history the Army has been shaped and molded to meet the changing requirements of national strategy. Through these next years we will continue to shape the Army to meet the needs of the Nation. We must maintain an Army with capabilities spanning a broad continuum and with the flexibility to respond to rapid changes.

I am proud of the accomplishments of the Army. Our Army has proven itself truly trained and ready as it has answered the call to duty throughout the world, from Germany to Korea and from Panama to the fire-scorched mountains of our own western states. We are ready to face the challenges of the future.

BIOGRAPHICAL SKETCH

Mr. Michael P. W. Stone was sworn in on 14 August 1989 as the 15th Secretary of the Army. Since 24 May 1988 he served as the Under Secretary of the Army. While the Under Secretary of the Army he also served simultaneously as the Army Acquisition Executive and Senior Procurement Executive from 26 May 1988 until 13 May 1989. Additionally, while serving as the Army Under Secretary he performed the duties of the Under Secretary of Defense for Acquisition from 13 May 1989 until 10 August 1989.

Mr. Stone began his career with the Army on 27 May 1986 when he was appointed the Assistant Secretary of the Army for Financial Management, serving in this capacity until 23 May 1988. While in this position he also served concurrently as the Acting Under Secretary of the Army from 28 February 1988 to 23 May 1988.

Mr. Stone's first U.S. government position was in July 1982 when he joined the Agency for International Development (AID) to become Director of the U.S. Mission in Cairo, Egypt. That Mission is responsible for administering the United States Economic Assistance Program in Egypt, AID's largest administered program. Mr. Stone's responsibilities there included the execution of 65 major projects. When he returned to the United States at the end of 1985, Mr. Stone undertook a new AID assignment implementing the Kissinger Commission recommendations in Caribbean Basin Initiative countries, particularly in Honduras, Guatemala, Costa Rica and Jamaica.

Mr. Stone's business experience has been primarily in the paper industry. He was a founding partner in the early 1950's of a marketing and manufacturing paper company operating worldwide and based in San Francisco, California. Between 1960 and 1982 Mr. Stone was both Vice President of the parent company and also President of several of the parent company's subsidiaries. The parent company also started an integrated vineyard operation in California during this period, and Mr. Stone was President of that company as well from 1969 until 1982.

Mr. Stone began his military service in March 1943 at the age of 17, when he joined the British Royal Navy. He was sent to the United States for pilot training, and served first at Grosse Ile Naval Air Station in Detroit. In 1944 he graduated from Pensacola Naval Air Station and then, after completing fighter school at Jacksonville Naval Air Station, Florida, he was assigned to the British carrier HMS Glory and served in the Mediterranean and the Far East as a member of 1831 Squadron flying F4U Corsairs. During this period, Mr. Stone was also detached to a Royal Air Force base in England and completed a special low-level reconnaissance course flying Spitfires. 1831 Squadron completed its World War II service by participating in the surrender of the Japanese forces at Rabaul, New Guinea in September 1945.

Mr. Stone was born in London, England in 1925 and has resided in the United States (except for his military service) since 1929. Mr. Stone is married to the former Ann Donogh of Seattle, Washington. They have two married sons, Prescott and Matthew. Mr. Stone received a B.A. from Yale University in 1948 and later studied at New York University Law School. He presently resides in Washington, D.C., while his permanent home is in San Francisco, California.

STATEMENT OF GEN. CARL E. VUONO, CHIEF OF STAFF, U.S. ARMY

ACCOMPANIED BY:

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FUTURE PLANNING

General VUONO. Mr. Chairman, it is good to be before you and your committee again this morning. Ordinarily, I would outline the 1991 budget for you. But these are not ordinary times, as the Secretary mentioned and as you alluded to in your opening comments. So what I would like to do is focus for a few moments on our planning for the future to help put this particular budget into proper context. I would like to make two points at the outset.

First, today's Army is trained and ready as never before, certainly in my career of over 32 years, and in my view we demonstrate that every day with our soldiers around the globe. The participation of the Army in Operation Just Cause in Panama, I believe, was a further unambiguous demonstration of what I just said. It is essential, Mr. Chairman, that we not lose this readiness edge today and as we move into the future.

The second point I would make is that we would not be where we are today without the support of the American people and this Nation, and without the support of you personally and this committee. For that we thank you very much.

RESHAPING OF ARMY

The 1991 budget that you have before you is the first year of our plan to reshape the Army—to reshape the Army to adapt to a changing threat and fiscal realities, while at the same time fulfilling our role in U.S. national security strategy. The fiscal year 1991 budget should be viewed with the future in mind.

We believe it is prudent to begin now to reshape the Army, and you can already see the impact of this reshaping in this budget. We also believe that if we are to preserve the integrity of our professional force, we must be out front to manage and lead this change.

So let me talk about the broader plan. We developed a measured approach to shape the Army we believe our Nation is going to need as we enter the 21st century. The decisions we are making in 1990 and 1991 are going to impact on the kind of military force we take into the next century.

QUALITY AND READINESS ESSENTIAL

We decided to reduce the size of the total force in order to protect the quality and the readiness of the Army of today and through the 1990's because, in my judgment, quality and readiness are essential; they are not optional. We do not have an option in terms of readiness and in terms of quality, because I believe there is no substitute for quality and there can be no retreat from readiness.

To properly shape the force, we developed a plan that systematically builds down today's Army, today's 5-corps, 28-division force and its support infrastructure, to a smaller force over the next 5 years. I hope you keep in mind that a reshaping of this magnitude is difficult enough. We are also faced not only with the unprecedented drawdown of a quality all-volunteer force, something we have never done in our history, but our challenge is to reshape it as we draw it down.

DIFFICULTIES INHERENT IN DRAWDOWN

We must build down and restructure the force while maintaining the capabilities needed to support our national military strategy and the needs of our theater commanders. We must do it without undermining arms control negotiations that will bring significant security benefits to both East and West. We must do it while fulfilling our obligation to our soldiers, our family members, and our civilians, whose dedication has been indispensable in producing the positive changes we are witnessing around the world, and to date we have been successful in doing that. We must do it while we invest in the modernization of our forces and the development of our future leaders, our officers, and our NCO's and, finally, while maintaining the capability, should the need arise, to reverse the process should the international situation change radically. In other words, we cannot declare time out while we reshape the Army, and we do not intend to do that.

FOCUS OF PLANNING EFFORTS

Now, to focus our planning efforts, we determined the size and the characteristics of the force we felt we would need in the 1990's and beyond. We made a careful analysis of the strategic environment. We looked at our military strategy, the threat, our doctrine, our resources, and what the requirements were from the various theater commanders.

From that we determined that the Army of the 1990's would have to be a versatile force, a deployable force, that we can deploy from the United States, since we are going to have less forward-deployed forces and, finally, a lethal force capable of countering a wide array of potential and unpredictable threats.

That force is going to have to have the following: It will have a mix of Active and Reserve component forces, heavy, light, and special operations forces, deployed in Conus for contingency operations, deployed in Conus for reinforcing missions, and some forces forward-deployed in order to meet the responsibilities we have as a global power. That force will have to be adequately modernized and fully trained to respond on short notice to challenges across the spectrum of conflict.

HISTORY AS A TEACHER

We also looked at history. As you know very well, Mr. Chairman, history is a great teacher. History disclosed that demobilization after World War II, after Korea, and after Vietnam, caused a sharp decline in the capabilities of the force as the Army released large numbers of soldiers from its ranks. We found, as a result of those lost capabilities, soldiers in the Army suffered substantial, and what I believe would have been avoidable losses. For example, in the first 15 days of the Korean conflict, one of our Army divisions suffered 3,000 casualties. One unit from that division lost almost one-third of its soldiers and one-half of its officers in their initial engagement. There is ample evidence to link that unit's performance to the hasty and haphazard way in which the Army was forced to demobilize following World War II. You had ill-trained, ill-equipped, and ill-prepared units, and American soldiers lost their lives as a result of it.

So I believe very strongly that in building down and reshaping today's professional volunteer force—and I emphasize that we are reshaping, not demobilizing—our Nation should learn what we can from past demobilizations. What we intend to do is to protect the readiness of the Army to ensure that the United States can continue to meet unexpected threats over the coming decade without needlessly risking the lives of soldiers by failing to provide the resources and the training necessary to prepare them for combat. We also intend to protect the overall quality of the force and our future modernization.

HIGH QUALITY ESSENTIAL

Let me talk about the quality first. As we get smaller, maintaining a force of high quality will be absolutely essential. While the key to this will be our people, quality is an all-encompassing characteristic. "Quality of force" means more than quality people; it means providing resources so that we can ensure that the American public knows what it is we can provide in this environment that we call the U.S. Army—a reasonable level of pay and benefits, and appropriate working and living conditions. I think it is a goal that we should all have that our soldiers should have the same quality of life of the citizens that they swear to defend. That is our goal and that is our challenge. We also must provide our soldiers challenging training opportunities and the potential for advancement and development.

It is essential, Mr. Chairman, that we consider all of that as we think about our people. Maintaining that quality in all aspects of the force will be our top priority for the Army of the 1990's and beyond. We need your help; we need all of the committee's help, to ensure that we have the flexibility to prudently manage our resources and this force reduction that we are about to embark upon so it will have the least impact on the quality and the readiness of the force. What we are asking is that you allow us to execute this plan.

MODERNIZATION

A couple of words about modernization. We are committed to developing and deploying the weapons systems needed for the future within our fiscal constraints. To do otherwise would be to put the Nation and our soldiers at risk in dealing with highly sophisticated and technologically advanced threats throughout the world.

We have a strategy for modernization that is consistent with the threat. It tightly manages modernization. It is based on accepting some risk over the near term while protecting future modernization and our technological base. Therefore, we decided, as you mentioned, to terminate some programs. These were tough, agonizing decisions. We made that choice so we could focus our limited resources on developing future programs. We need your help here also to ensure that we do not mortgage our future modernization by being forced to acquire nonessential near-term capabilities.

In our plan we have already stretched ourselves tremendously. Our proposed reductions are at the most rapid rate that will allow us to maintain needed capabilities as we reshape the Army. More rapid reductions threaten to fracture the force. I do not use, Mr. Chairman, that term, "fracture the Army," lightly because that is what will happen to us. We will be forced to accept unacceptable degradation of near-term quality and readiness; we will be forced to forego capabilities that we deem essential for the future; and, finally, we will be forced to remove a large number of our quality soldiers and civilians from the force in a haphazard manner.

Finally, I would like to stress one other point. We are not demobilizing a draftee army at the conclusion of a major conflict. We are reshaping a professional volunteer force during a period of extraordinary turmoil and instability in the international environment. So we must not forget the United States has worldwide responsibilities as a superpower. We, therefore, must have a powerful, capable Army that is trained and ready to respond to any unforeseeable crisis that may arise during this difficult period.

We need your support, Mr. Chairman, to follow through with this plan. Thank you.

[The statement follows:]

STATEMENT OF GEN. CARL E. VUONO

Mr. Chairman and members of the committee, it is a privilege for me to appear before your committee to report on the state of the United States Army and to explain the Army's priorities for fiscal year 1991 and beyond. The Army has developed a prudent plan, consistent with the evolving threat, to fulfill its role in U.S. national security strategy in the years ahead. Today's Army is trained and ready. It must remain trained and ready throughout our transition to the smaller, capable force that our Nation will need in the future. Our program is designed to guide us into the 21st Century, while maintaining a force of the highest possible quality. The fiscal year 1991 budget is an integral part of our plan.

THE ARMY TODAY

To provide you a reference point as you consider the first budget in this new decade, I want to summarize the extensive transformation that the Army has undergone over the past ten years, and to explain how this has prepared us for the years ahead. I know that little of what I am going to relate to you would have been possible without the assistance of the Congress and the support of the American people. The Army is particularly appreciative of the support it has received from members of this committee.

Ten years ago, the United States Army was undermanned, lacked modern equipment and a sufficient sustaining base, and had limited realistic training opportunities. Enlistment and retention data were disappointing, soldier misconduct was unacceptably high, and our soldiers and their families were sometimes forced to live and work under less than satisfactory conditions.

Together, we succeeded in rebuilding this force into a powerful professional Army whose universally accepted capability brought our foes to the negotiating table and pride in their armed forces back to the American people. Let me share with you briefly the magnitude of the improvements that have produced the highest quality Army in our peacetime history.

The success of our recruiting, retention, and quality of life programs enabled the Army to attract and to retain extremely high quality soldiers and civilians throughout the Active and Reserve components. This led to a substantial improvement in warfighting capability and operating efficiency. In 1980, only 54 percent of the Army's volunteers were high school graduates, and 52 percent tested in Category IV (the lowest test category the Army may recruit). Today the Army is recruiting over 90 percent high school graduates, and the number of new recruits in Category IV is less than 4 percent.

We also made strides in improving the quality of life of our soldiers and their families, a key factor in retaining these quality soldiers. Since 1980, we modernized and/or expanded 13 hospitals, and we opened 65 medical and dental clinics, 67 child development centers, 19 chapels and religious education facilities, and 64 physical fitness centers. We built or leased over 24,000 sets of family quarters and added almost 100,000 barracks spaces for our single soldiers. We also instituted the Army Communities of Excellence (ACOE) program to assist in building pride in Army communities, to enhance living and working conditions, and to greatly improve the services we provide our soldiers, civilians, and family members worldwide.

The impact on retention has been significant. Soldiers eligible to reenlist for the first time are doing so at a rate 15 percent higher than our current objectives. Enlistment rates of mid-career soldiers are up almost 40 percent since 1981, and career soldier enlistments have increased 14 percent from an already substantial 101 percent of the objective. We can all be proud of the advances that we have made in caring for our professional, volunteer force.

We also made significant improvements in force modernization. We put into service the world's first high and all-weather capable attack helicopter, fielding over 600 Apaches. We upgraded the utility helicopter fleet with over 1,000 Black Hawks. We significantly increased our close combat capability, fielding over 6,000 Abrams-series tanks, 4,600 Bradley Fighting Vehicles and over 300 Multiple Launch Rocket Systems (MLRS) in Active and Reserve component units. Our combat vehicle fleet is unmatched for quality around the world. We replaced a large portion of our aging truck and jeep fleets with modern trucks, trailers and utility vehicles. The Reserve components (RC) particularly benefited from this influx of modern equipment. Indeed, since 1986, the lack of qualified personnel has replaced equipment shortages as the primary RC readiness obstacle.

The Army improved its ability to sustain training and build the stocks required to support war plans. POMCUS stocks have doubled since 1980. Theater reserves of ammunition, spares and major end-items increased appreciably, and the sustainment base was modernized. These advances substantially increased our ability to effectively support the warfighting needs of the CINCs and the peacetime training of our forces.

Quality people with modern equipment, while essential, do not alone yield increased warfighting capability. Tough, realistic training is the key to combat readiness. Since 1980, the readiness of the Army's active divisions has steadily improved. Today all 18 active divisions are combat ready. Reserve component units have shown similar improvements, with our National Guard currently showing a 21 percent increase in units reporting combat ready status since 1980. The number of USAR units reporting combat ready status has similarly shown a 26 percent increase over the same period. This significant progress was due in large part to the rigorous training program for both Active and Reserve components. Reserve component participation in "Overseas Deployment for Training" increased fivefold, and all components participate in training at the Combat Training Centers (CTCs)—the National Training Center in California, the Joint Readiness Training Center in Arkansas, and the Combat Maneuver Training Center in West Germany. These training centers provide our soldiers with the most realistic and demanding training in the world. This training is complemented by the Battle Command Training Program that provides simulated, state-of-the-art warfighting exercises for division and corps commanders and their staffs. These and other leader development programs for soldiers and civilians at all levels have greatly contributed to increased Army effectiveness.

Our warfighting capabilities have also been improved by redesigning our forces to exploit U.S. advantages in new weapons systems and to keep us aligned with changes in the international environment. Army heavy units have been reconfigured to a more functional design and three new light infantry divisions, the 10th, the 6th, and the 29th (ARNG), were activated without any increase in the Active component end strength. Army Special Operations Forces (SOF), over 70 percent of

CINCSOC's forces, also grew in size and quality. In all, given our enormous success in attracting and retaining quality people, and the improvements in force modernization, sustainment, training, and force structure, we increased the combat capability of the Army by some 90 percent over the past decade. I sincerely appreciate your support throughout this transformation.

While these improvements have taken the full decade, an Army can deteriorate quickly. Rebuilding an effective force takes time and money; it takes constant effort to maintain this force at peak efficiency. Recognizing this, the Army has structured its fiscal year 1991 Budget to preserve the essential qualities of its current force as we begin the transition to an uncertain but hopeful future. Over the past decade, the Army has undergone an extensive transformation that has prepared it well for the challenges ahead. I solicit your support in ensuring that precipitous reductions to the defense budget do not result in the wasteful elimination of these hard-won capabilities.

DEMONSTRATED CAPABILITY

Today's Army is trained and ready as never before in our 200 year history. In my view, the participation of Army forces in Operation Just Cause demonstrated that this statement is a reality unambiguously proven in battle.

As a number of you have visited Panama since the termination of the fighting, I won't discuss the details of the operation. Let me just highlight a few of the salient points. First, it was very clear early in the planning process that the keys to success would be surprise, speed, and the ability to simultaneously overwhelm multiple key points. If we were to achieve the President's objectives and minimize the loss of life and damage to property on both sides, we had to attack with overwhelming force, eliminate organized pro-Noriega resistance, and seize critical objectives throughout the country—all at the same time. This required that we conduct simultaneous ground and parachute assaults with forces based both in the United States and forward deployed in Panama. Operation Just Cause was an exemplary demonstration of the rapid deployment and employment of a contingency force to reinforce a forward-deployed force.

Consider for a moment the magnitude of the challenge. Our CONUS (Continental United States) forces were alerted prepared and loaded within a matter of a few hours. Then they had to fly over distances of 2000–3000 miles from a number of installations and launch their airborne and ground assaults—without rest—in the middle of the night in a strange country. The attack began at about 0100 on 20 December, precisely on schedule. Within 12 hours, our soldiers had liberated an entire nation from a brutal dictatorship. Following the combat operations, many of the same forces spent the next several weeks in stability operations and in assisting the democratic Panamanian government to restore order to the streets, to provide humanitarian assistance, and to rebuild its national infrastructure. These soldiers went from Christmas shopping to combat in less than 60 hours, and from combat operations to nation building support in not much more than that.

It is clear from Just Cause that the services and JCS have made significant strides in planning and executing joint operations. This was one of the most complex military operations that the United States has conducted. It was also one of the most successful in our history. In my view, there is not another military force in the world that could have accomplished Operation Just Cause in the manner that the United States armed forces did.

We must be cautious, however, in drawing proper lessons from this operation. Some have already proclaimed it as the prototype for contingencies of the future. As important as it is, Just Cause represents but one type of contingency in which the United States may find itself. It is a single point along the operational continuum that runs from peacetime competition to a major war. The competence and discipline all units in the joint task force demonstrated in Panama are essential to deterrence and defense in Europe, in Asia, in the Middle East—anywhere our vital interests may be threatened. Moreover, we must increasingly be prepared to execute these missions without the significant forward-deployed elements that played a key role in our success in Panama.

The people of America have an Army of which they can be justifiably proud. This success did not come easily. It is the result of a decade of hard work, sacrifice, and adequate resources. We should keep that in mind as we begin shaping the Army for the future.

SHAPING THE FORCE FOR THE FUTURE

In the years ahead, the United States will face unprecedented challenges, risks, and opportunities in an increasingly complex, volatile, and unpredictable world. This rapidly changing geopolitical environment will place different and far-reaching demands on the U.S. military, particularly on its conventional forces. We must remember that change does not necessarily bring peace and security. In fact, the dissolution of great nations has typically been accompanied by instability and violence. Clearly, the events in the Soviet Union and Eastern Europe are historic and offer significant opportunities to lower the level of superpower confrontation that has occupied the world for the past 40 years. However, the risks associated with assuming too quickly that positive change will continue without temporary setbacks or even reversals are substantial. We must carefully and realistically assess the dramatic political developments in the Warsaw Pact and elsewhere.

THE THREAT

The challenge for the Army in this era of change will be to prepare for the future without losing sight of both the present opportunities and the inherent, yet uncertain risks of evolving security challenges around the world. For the near-term, Soviet and Soviet-supported military action in Europe and Asia will remain a demanding near-term challenge for the United States and its allies. Therefore, deterrence and regional stability will continue to require forward-deployed U.S. forces. At the same time, new conflicts in the developing world and more sophisticated versions of existing threats to our security are likely to arise. As the underlying causes of these conflicts exist within the developing nations themselves, they will not necessarily diminish even if Soviet international behavior continues to moderate.

The expansion of military power in the developing world will present new challenges to the United States. Libya, for example, has more main battle tanks than France or the United Kingdom, and several countries—Syria, India, North Korea and Iraq—have more main battle tanks than France and the United Kingdom combined. Indeed, as more developing countries gain significant military capabilities, they may resort more readily to force in settling local security interests. Moreover, the precise time, location, and gravity of these occurrences are largely unpredictable.

International drug trafficking, terrorism, insurgency, and subversion of legitimate democratic regimes will also continue to pose serious threats to U.S. interests. These low intensity conflicts can undermine important allies and other friendly nations, impede the development of democratic institutions, and hamper essential U.S. economic and military ties. The dangers of low intensity conflict, and particularly of terrorism, are magnified by the increasing worldwide availability of sophisticated explosives and weapons. Precision-guided munitions are becoming available through illegal arms markets and from states supporting international terrorist organizations. Terrorist use of the ultimate weapons of mass destruction—chemical, biological, and nuclear arms—is not inconceivable. Clearly, low intensity conflict is the security challenge most likely to demand a short-notice U.S. military response in the future.

ARMY'S ROLE IN NATIONAL SECURITY STRATEGY

Given this evolving threat, the basic elements of U.S. post-World War II strategy will likely continue to guide the United States for some time. Because of its geographic and political position in the world, the United States will continue to rely on a coalition strategy, working in cooperation with allies and other friendly nations to protect mutual interests. Consequently, forward deployment of combat ready ground forces in places where U.S. interests require them will remain a key mission for the Army. The scope of this mission, however, may be reduced in the near future as a result of improved security and new arms control agreements. We must ensure, in the meantime, that deterrence, stability, and ongoing arms control negotiations are not undermined by premature or excessive reductions of forces or capabilities.

Other enduring Army roles will be those of maintaining contingency and reinforcing forces in CONUS. The contingency forces must have a full range of military capabilities. They furnish our Nation with flexible options needed to fashion appropriate responses to multiple and varied challenges to U.S. security interests in trouble spots around the world. Forces in CONUS must also remain ready to reinforce forward-deployed and previously committed contingency forces rapidly, backing them, if required, by the full mobilization of the military and industrial potential of the United States.

Support to our allies and other friends around the world, in the form of peacekeeping operations, security assistance, and nation-building activities, has been another historical Army role. Recently, this mission has acquired new meaning in view of the challenges to, and opportunities for, democracy in the developing world. The Army has also continued to support civil authorities, including disaster relief and emergency assistance; and it has received new missions in the war on drugs.

Considering this array of challenges, the world of the future will not be any simpler nor necessarily any safer than it is today. Indeed, as we move into the 1990s, we will live in a security environment that is demanding, diverse and dangerous. These challenges will become even more difficult as they will have to be met in an era of scarce defense resources.

ARMY'S PLAN

Some of the recent trends in the international environment have been apparent for some time, others have materialized unexpectedly. In 1988, the Army refocused its planning processes to gain the initiative in adapting to the evolving global security situation by developing a strategic concept for the Army of the future. This concept attempted to minimize the risk to key national interests and to maintain flexible options for the Nation in responding to changes in threats and challenges to national interests. It has provided the framework within which the Army has continued to evaluate the impact of strategic, threat, and resource developments on its programs. When faced with the fact of sustained real resource reductions, at least through the mid-term, the Army effectively used this framework in the difficult process of posturing itself for a diverse and uncertain future.

In evaluating the potential for a significantly reduced Soviet threat over the mid-term and declining resources over the same period, three conclusions became clear to us:

—First, the Army could not at the same time man, train, and equip its current total Army structure of five corps, 28 divisions, and the related support infrastructure, while maintaining the indispensable quality and readiness of the force;

—Second, to reshape the force to counter the rapidly changing threat in a climate of declining resources, while maintaining a full range of capabilities in support of the national military strategy would require a clear vision of the mid-term force (size and capabilities) and a disciplined adherence to valid priorities; and

—Third, that during any reshaping of the force, the Army had to retain the capability to expand the force if the international situation changed radically.

The Army developed the mid-term force objectives based on historical analysis of previous large Army restructurings, a careful assessment of the evolving threat, and a view toward the capabilities that the Army would require in 1995. Past examples of chaotic demobilizations following World War II, Korea, and Vietnam indicated that the capabilities of the force declined markedly when the Army eliminated large numbers of soldiers from its ranks. We found to the detriment of our Nation that, as a result of these lost capabilities, Army forces suffered substantial and avoidable losses when committed to unanticipated combat after a rapid demobilization. We were also very aware that the requirement to build down and restructure today's professional, volunteer force would differ significantly from these past demobilizations of largely conscript armies.

Threat analyses indicated that while there was cause for cautious optimism with regard to the future direction of the Soviet and Warsaw Pact threats, other threats were becoming more likely and increasingly sophisticated. Finally, an analysis of the capabilities the Army would likely need to fulfill its strategic roles in 1995 concluded that, while its fundamental roles would not change over the mid-term, there was potential for change in the way these roles might have to be exercised. For example, given the continuation of the positive developments in the Soviet Union and Eastern Europe and the implementation of a CFE agreement, it will be possible to reduce forward-deployed forces. Further, increased warning time that may result from reductions in Soviet forces West of the Urals can lead to changes in reinforcement criteria for CONUS-based forces. Our analysis concluded that turmoil in the developing world would likely lead to an increased role for the Army in contingency operations and in civil support operations—disaster relief, interdiction of illicit drugs, security assistance, nation building assistance and other support to civil authorities.

We concluded that the Army of 1995 must be a smaller, but highly capable force; forward deployed in sufficient strength to provide a credible deterrent and to demonstrate unambiguous U.S. commitment and resolve to its allies; globally oriented; and clearly able to execute worldwide contingency operations. It must have an appropriate mix of forces, be adequately modernized and fully trained, and be ready to respond on short notice to challenges across the operational continuum. Achieving this objective within existing resource constraints necessitated that we reduce the size of the force and accept some risk in equipping the force to protect the quality and readiness which are essential for today's and tomorrow's Army.

The Army's current plan envisions the force of the mid-1990s to be structured with four corps of 23 divisions. This structure, along with the force structures of the other services, will be reviewed by OSD and JCS during the fiscal years 1992-97 summer program review. (We are also participating in the Total Force Policy Study Group to ensure we maintain the most combat effective, affordable total force mix for the future.) Attaining our desired posture, while maintaining the quality of the force, will require: reducing the active force structure and overseas deployments (given appropriate international agreements); refocusing all available RC resources to improve their quality and readiness; placing greater emphasis on the contingency capabilities of the U.S.-based force; and focusing our modernization efforts to accept some near-term risk while continuing the research and development essential for the future.

To succeed in the evolving international environment, we concluded that the future force would have to be focused on three fundamental qualities. Tomorrow's Army must be versatile, deployable, and lethal.

VERSATILE FORCE

The Army must be able to counter a wide array of potential and unpredictable threats with a relatively small force. We cannot afford to maintain forces uniquely specialized for every conceivable geographic area and type of combat. Therefore, a highly capable, versatile Army will be the most effective solution to worldwide requirements for ground forces. The ability to tailor force packages for specific missions without delays for retraining or mobilization will be crucial. Versatility will require the right proportions of Active and Reserve components, the correct mix of forces (light, heavy, and special operations), adequate sustainment, and, above all, high quality in all aspects of the force.

Versatility also demands intensive training and frequent exercises. Training programs and worldwide deployment exercises will have to demonstrate the ability to tailor force elements, to deploy them within anticipated contingency warning times, and to employ and sustain them as necessary to assure success. The Army must therefore maintain, and possibly expand, today's Active force capabilities dedicated to immediate contingency response. The U.S. Army Reserve (USAR) and Army National Guard (ARNG) must continue to maintain ready and rapidly mobilizable combat and support units.

As we get smaller in numbers, the quality of our people—soldiers and civilians—more than any other characteristic, will determine the versatility of the Army. With a volunteer force in a competitive labor market, the Army must continue to provide adequate incentives to attract and retain the highest caliber men and women. This means that we will have to provide not only adequate compensation, but also a living and working environment that meets the standards of American society.

DEPLOYABLE FORCE

The nature of the United States interests around the world and its coalition based strategy will require that U.S. forces be globally deployable, often with little or no warning, from the United States or from forward bases. Current trends in the international security environment make it abundantly clear that rapid deployment will become even more important in the future.

Forward-deployed ground forces will continue to be essential although their specific numbers will change to reflect contemporary circumstances. The locations of Army bases abroad, moreover, will likely be limited to those areas where deterrence and regional stability cannot otherwise be assured.

In the future, the United States will also have to maintain an unquestionable ability to conduct an opposed entry into combat in defense of vital interests anywhere. In many contingencies, a forced entry will only be possible, or will best be achieved, by simultaneous airborne assault on multiple targets. Army airborne and ranger forces have unique capabilities for performing this function. They will remain key elements in the Army of the future.

Even the most deployable and combat-ready land force, however, cannot be employed without adequate strategic lift. The United States cannot afford to risk the effectiveness and credibility of its overall defense strategy by failing to develop and field adequate worldwide lift assets. Airlift and sealift assets currently available or approved for acquisition are inadequate. This deficiency will have to be addressed in the years ahead. Of particular importance will be the further development of sufficient sealift capabilities to support contingency requirements, and the rapid acquisition of a transport aircraft with strategic range and undeveloped landing strip capability.

LETHAL FORCE

Lethality is the assured capability to defeat an opponent, winning as quickly as possible to preserve America's most valued asset—the lives of its soldiers. Assuring the lethality of Army forces will demand a disciplined, continuous modernization effort. This will mean maintaining the capability to counter the heavy armored forces of the Soviet Union and an increasing number of potential adversaries, while at the same time fielding capabilities that can defeat other threats around the world.

For the 1990s and beyond, Army modernization must capitalize on United States advantages and strengths—particularly the qualities of its soldiers, leaders, and technology—and exploit vulnerabilities and weaknesses in potential adversaries. Future budgets will be tight, so the Army must assign appropriate priorities and levels of effort to all aspects of its modernization if it is to field a competitive force in the future.

The Army believes it can best use the resources it is given by investing in its technology base to identify promising new technologies, while avoiding mortgaging its future for useful but noncritical near-term capabilities. The Army may, therefore, need to forego some near- and mid-term modernization options while it protects these long-term modernization efforts. The greatest challenge in this area lies in selecting those key technologies that have the greatest potential to increase warfighting capability for each dollar spent. This strategy will permit the Army of the 1990s to reflect significant increases in battlefield effectiveness as a result of the application of advanced technologies. I cite as examples of this strategy our decisions to terminate AHIP, Apache and Abrams production, and to focus our limited resources on the development of the next generation of helicopter and armored systems.

The lethality of the Army of the future will be determined, above all else, by the actual combat readiness of the force. Training will continue to be the cornerstone of Army readiness. Combat Training Centers will remain the key to developing the maximum lethality of Army units. These centers not only hone combat skills, they also enable us to assess the validity of the Army's combat doctrine and to develop our officer and noncommissioned officer leaders. The Army will continue to provide tough, realistic training to the highest standards so that its soldiers, units, and leaders have the best possible chance of accomplishing their missions and minimizing casualties should they be committed to combat.

IMPERATIVES

While our determination of the characteristics essential for the future force provided direction to guide some near-term programmatic decisions, the requirement to maintain a full range of capabilities as the Army reshaped itself necessitated difficult decisions and trade-offs in projecting resource allocations to support readiness, sustainment, modernization, and force structure. We are guided in these decisions by adherence to six fundamental imperatives that have shaped the development of today's Army, that were validated most recently by the Panamanian operation, and that we believe must continue to guide the Army in the future.

The first of these imperatives, and the most important, can be summed up in a single word—quality. It is this characteristic that enables the Army to fulfill its worldwide strategic roles in spite of its relatively small size. The high quality of the American soldier—a combination of intelligence, initiative, combat skill, tenacity, and physical toughness—has been a traditional source of victory in battle. The experiences of recent years have reaffirmed that quality produces the versatility needed to respond rapidly to unforeseen situations. Therefore, recruiting and retaining talented soldiers and civilians—the best the Nation has to offer—must continue to be the top priority in the Army of the 1990s and beyond. Let me share with you an example of why this quality is so important.

One soldier from a ranger battalion, after flying in a cramped C-130 for six hours, after a night combat jump, and after fighting to clear numerous buildings, burst into a room crowded with what appeared to be Panamanian Defense Force (PDF) soldiers. Even after all he had been through, even in the heat of battle, this soldier instantly assessed the situation and did not fire a shot. The room was filled with unarmed PDF trainees. Many lives were saved because of the quality and discipline of that American soldier. With disciplined men and women of this quality, there is virtually no mission today's armed forces cannot accomplish.

The second imperative focuses on maintaining a forward-looking warfighting doctrine. AirLand Battle, the Army's contemporary doctrine, provides the basic rationale for developing leaders, designing forces, determining materiel needs, and conducting training. This doctrine recognizes the need to integrate the capabilities of U.S. Army units with those of the other services and of its allies to achieve maximum combat power and effectiveness. The AirLand Battle-Future concept is currently being developed to portray how the Army will conduct operations to meet its worldwide commitments 15 years hence. It will establish the foundation for the Army's disciplined evolution into the future, ensuring the Army's preparedness for future battlefield challenges.

The third imperative is to maintain the appropriate mix of light, heavy, and special operations forces in the Active and Reserve components. While the present force structure does not simultaneously meet the current needs of all U.S. commands worldwide, the Army can meet the highest priority U.S. strategic requirements. This will continue to be true in the future. We will maintain in our force the capabilities to respond to a wide array of contingencies, conflicts and crises that are by their nature full of uncertainties.

In the conduct of tough, realistic training—the fourth imperative—the U.S. Army has set a standard for armies everywhere. The investment that the Army has made in training over the past decade has produced the readiness for war that is the basis for credible deterrence and capable defense. The exercises conducted at the CTCs in California, Arkansas, and Germany, as well as recent operations around the world including Just Cause, stand as evidence of the Army's training achievements. Tough, meaningful, and fulfilling training is also a key element in encouraging the very best soldiers to stay in the ranks. Demanding training, accomplished to high standards, is a sound investment in the Army of tomorrow.

I have discussed the dramatic improvement in modernization over the past decade, particularly in the combat equipment of Army forces. The fifth imperative is to continue to modernize the Army's warfighting capability. The Abrams tank, the Bradley fighting vehicle, and the Apache helicopter are three examples of weapon systems fielded in the 1980s that have served this end. They, and other systems like them, are the products of a continuous process that reflects the Army's strategy, doctrine, technological advantages, and overarching commitment to providing its soldiers the best equipment possible. To develop needed future capabilities on time, the Army will continue to emphasize aggressive research and development in the key areas of operational concepts, unit designs, materiel, and training innovations.

An excellent example of the success of high-leverage advanced technologies is provided by Just Cause. Capitalizing on our investment in night vision capabilities, we were able to conduct very extensive night operations. Beginning with simultaneous surprise airborne and ground assaults, the Joint Task Force immediately followed up with successive air assaults and ground follow-on operations—all before dawn—that rendered the pro-Noriega forces ineffective in the targeted areas. It is no overstatement to say that our armed forces own the night, giving our soldiers a tremendous technological edge on the future battlefields of the world.

In the final analysis, the capabilities of the Army depend not only on the quality of its soldiers and civilians, but also on the competence of its leaders. Thus, the sixth imperative is to continue to develop our leaders and to retain them in the Army. There have been many recent initiatives in this area, to include enhancements in formal education and training, successive operational experiences, and continuous self-development opportunities. Current Army programs are designed to prepare leaders from corporals to generals and members of the Senior Executive Service for the future challenges they may face. The noncommissioned officer education system (NCOES) has been particularly successful in upgrading the tactical and technical competence of our first line leaders. Leader development yields the most important and lasting contribution we can make to shaping the Army of the future. It is also a continuous, long-term process. Missed developmental opportunities for junior officers and noncommissioned officers are extremely difficult to recapture later in their careers.

Past adherence to these six imperatives has positioned today's trained and ready Army to address the challenges of tomorrow. The Army of the 1990s and beyond will continue to be an Army that is shaped by reliance on these proven imperatives.

This vision of the future and these priorities have guided the Army through the preparation of the fiscal year 1991 budget and its mid-term plans. The fiscal year 1991 budget represents the first step in a transition from a Cold War posture primarily oriented on the Soviet threat to a versatile posture for the 1990's and beyond with a more diverse threat orientation. This change in focus, coupled with recent and projected budget reductions, has forced the Army to make some extremely difficult decisions to best serve the immediate security needs of the Nation while preparing for a disparate and uncertain future. It should be clear that decisions reflected in this Budget were based on the Army's plans to shape itself into a smaller, versatile, highly trained and ready fighting force that will remain capable of meeting the requirements of the national military strategy in the 1990s and beyond. The fiscal year 1991 budget should, therefore, be viewed with the future in mind.

CONCLUDING STATEMENT

In closing, I want to emphasize that we are not demobilizing a draftee Army called up to serve our country in crisis. We are reshaping a professional, volunteer force whose soldiers and civilians have served their country freely and proudly. Moreover, this reshaping is taking place in a period of extraordinary turmoil and instability in the international environment.

We must not forget that the United States has worldwide responsibilities. The Army must, therefore, ensure it is trained and ready to respond to unforeseeable crises, or to a reversal of the positive trends in Europe, that may arise during this difficult period. We understand the demands of national security and the kind of Army our Nation needs; we have a firm foundation upon which to build; and we have a comprehensive plan by which we are guiding ourselves into the 21st century.

At the same time, resource constraints demanded that we make tough decisions that, frankly, entail some near-term risks. We decided to reduce structure and forego some modernization programs that would have added to our overall warfighting capabilities. In my judgment, accepting these near-term risks is necessary in order to devote all our available resources to ensuring the quality and readiness of the force during the transition period, as well as the research and development programs that are essential for the future.

We will need your support to obtain the needed resources. We will also need your support for additional legislation to ensure we take care of our soldiers and civilians who will be leaving the force as we reduce its size.

The Department of Defense fiscal year 1991 budget we submitted provides for the first year of the plan that will achieve a disciplined and comprehensive restructuring of the Army. Downward adjustments to either the budget or the plan would entail either degradation of near-term quality and readiness adding to the risks we have already taken—or foregoing capabilities we deem essential for the future, or both. We ask for your help to avoid these unfavorable outcomes. We are committed to providing you any additional information you may consider necessary to understand not only the overall plan, but also the way in which that plan is reflected in this budget. We need your understanding of both.

Mr. Chairman, thank you for your time today and for your previous support of the Army. I will be happy to take your questions.

Trained and Ready in An Era of Change

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The Posture of The United States Army Fiscal Year 1991

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by

The Honorable Michael P.W. Stone
and
General Carl E. Vuono

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before

Committees and Subcommittees
of the
UNITED STATES SENATE
and the
HOUSE OF REPRESENTATIVES
Second Session, 101st Congress

Carl E. Vuono
General, U. S. Army
Chief of Staff

M. P. W. Stone
Secretary of the Army

Foreword

The world has witnessed unprecedented and momentous events over the past year. The developments in the Soviet Union, Eastern Europe, and China clearly indicate that even the most oppressive governments cannot forever suppress the attractions of democracy. We are also witnessing a welcome expansion of freedom and what may be a significant reduction in the possibility of war between major industrialized nations.

This outbreak of freedom is due in no small measure to the powerful symbol the Free World provides and to the persistence of the United States and its allies in demonstrating their commitment to safeguarding liberty. The Army has played a central role in this effort by providing trained and ready ground forces capable of deterring aggression and protecting U.S. and Alliance security interests worldwide.

There is still, however, tremendous uncertainty as to the outcome of developments in the Soviet Union and Eastern Europe. The crushing of the democratic movement in China, and the blood spilled in overthrowing the regime in Romania are testimony to the difficulty of uprooting old institutions of repression and planting viable democratic replacements. That process has begun in the communist world, but it is by no means irreversible. For the near term, then, Soviet and Soviet-supported military action in Europe and Asia will remain a demanding challenge for the U.S. and its allies. Deterrence and regional stability will, therefore, continue to require forward deployment of combat-ready U. S. ground forces. At the same time, new conflicts and threats to U.S. interests outside of Europe are growing in complexity and sophistication.

In adapting the Army to meet the requirements of this evolving international security environment, we have developed a prudent program to fulfill the Army's roles in U.S. national security strategy for the years ahead while maintaining the quality and readiness of its forces. Our successes in the past decade have been built upon the solid foundation of quality soldiers and civilians, well-trained and equipped, guided by dynamic warfighting doctrine, and led by skilled, motivated leaders. While the composition of this force may change as a result of the Department of Defense Total Force Policy study, it is our intention to continue to build on this base as we shape the Army of the future. Of necessity, this Army will be smaller, but it will be a capable force of the highest possible quality.

Today's Army is trained and ready. The success of Operation Just Cause in Panama has clearly demonstrated the Army's capabilities. The Army stands ready to lead our Nation into the 21st century.

I. The Evolving National Security Environment

The Army must adapt to the evolving national security environment: Citizens of Berlin stand atop the Berlin wall after the opening of this famous border between East and West.

Challenges, Risks, and Opportunities

In the years ahead, the United States will face unprecedented challenges, risks, and opportunities in a volatile and unpredictable world. This rapidly changing international environment will place different and far-reaching demands on the U.S. military, particularly on its conventional forces.

Clearly, the events taking place in the Soviet Union and Eastern Europe are historic and present significant opportunities to lower the level of superpower confrontation that has occupied the world for the past 40 years. Change, however, does not necessarily bring peace and security. In fact, the dissolution of great empires has historically been accompanied by uncontrolled turbulence and instability. The risks associated with reacting too quickly to these unfinished events are substantial and must be carefully and realistically assessed as the United States confirms the dramatic political developments in the Warsaw Pact. At the same time, new threats and more sophisticated versions of existing transnational problems are likely to arise. The challenge for the Army in this era of change will be to prepare for the future without losing sight of both the present opportunities and the inherent, yet uncertain, risks of evolving security challenges around the world.

The Threat

The United States faces as complex and varied a security environment as it enters the 1990s as at any time in its history. The world economy is becoming more integrated and new centers of influence are developing. The increased lethality of weaponry and the proliferation of force in the developing world make regional conflicts more rather than less likely. Allies are becoming more assertive in pursuing their own interests and are less apt to follow the lead of a superpower.

Simultaneously, the Soviet Union's severe economic problems have forced the Soviet leadership to adopt a less confrontational attitude toward the West. President Gorbachev's programs of *perestroika* and *glasnost* and his aggressive proposals in many areas of arms control suggest that the Soviet emphasis on massive military power, centralization, and confrontation abroad has changed, at least temporarily.

The changes in the Soviet Union are positive developments to be encouraged. Nevertheless, U.S. military posture must be designed to meet potential adversaries' long-term capabilities and existing realities. The realities of today are that, despite these positive internal and external developments, the Soviet Union currently maintains a very substantial military presence in Eastern Europe. Despite the recent calls for the withdrawal of these troops by Poland, Czechoslovakia, and Hungary and movement toward a conventional arms control agreement, this situation will likely persist for the next several years. Additionally, the Soviets will likely continue to focus on modernized conventional and nuclear forces, on vigorous research in all aspects of technology, and on exploitation of space to support military operations so that the Soviet Union can enter the 21st century as a multidimensional superpower.

A new Soviet emphasis on quality over quantity characterizes one aspect of the evolving threat. The North Atlantic Treaty Organization (NATO) has long relied on the quality of its materiel to offset the Warsaw Pact's quantitative superiority. However, in a number of significant areas, Soviet ground force equipment matches or even exceeds the quality of the West's equipment. The Joint Chiefs of Staff (JCS) concluded in 1988 that the Warsaw Pact is modernizing in-place forces significantly faster than NATO and that the United States needs to "regain the qualitative advantage" in ground combat systems. This will continue to be the case even if the Soviet and non-Soviet Warsaw Pact force reductions in Europe continue as scheduled. Soviet forces in other theaters also continue to improve, although at a slightly slower pace.

A second evolving threat is the instability in Eastern Europe and within the Soviet Union itself. Recent events in Eastern Europe - the election of a non-communist government in Poland, impending free elections in Hungary, the opening of the Berlin Wall and the change of government in East Germany, the change in leadership in Bulgaria and Czechoslovakia, and the violent overthrow of the regime in Romania - demonstrate the volatility of events within the Warsaw Pact. In the Soviet Union, the failure of *perestroika* to show positive benefits to the Soviet population and the success of *glasnost* in encouraging free expression have led to ethnic unrest in Azerbaijan, Georgia, and Armenia and to secessionist movements in the Baltic states and Moldavia. Western public reaction to *perestroika* and *glasnost* has been pronounced and favorable. It has focused largely on the potential benefits that may accrue, while underestimating the consequences of instability and existing Soviet capabilities.

Conflict in the developing world is becoming more deadly. A SCUD surface-to-surface missile is paraded in Iran.

The situation in the Third World is also potentially unstable. Conflict that could threaten U.S. security interests is an all too frequent occurrence within and among many developing countries. The military forces of many of these nations are now armed with up-to-date, lethal weapon systems. Over a dozen developing countries possess more than a thousand main battle tanks. The Iran-Iraq war, in which an estimated one million people died, shows the destructiveness of modern warfare even between developing countries. That same war saw the use of chemical weapons and surface-to-surface missiles. Other nations in the developing world now possess or are seeking to obtain similar capabilities. This development, combined with the possibility of nuclear proliferation, will make warfare in developing countries a more dangerous proposition.

In addition, insurgencies and terrorism directed against U.S. citizens and property around the world have not abated. These problems are sometimes compounded by an increasing flood of drugs from many of the same countries that harbor terrorists and insurgents. Drugs also confront the Nation with a menacing and difficult-to-combat challenge. Terrorism and drug trafficking often combine to form a particularly sinister threat.

The Soviet Threat

The announced implementation of a 500,000-man reduction in Soviet forces along with cuts in divisions, tanks, and artillery are steps toward producing a meaningful reduction in Warsaw Pact offensive capabilities. These announced reductions, coupled with President Gorbachev's domestic agenda, suggest that there is pressure to reduce the near-term commitment to defense programs that consume a high percentage of the Soviet gross national product. Several Warsaw Pact countries are following the Soviet Union's lead in scaling back their forces, and further cuts can be expected under current arms control initiatives. Additionally, the Soviets currently are negotiating the withdrawal of their forces from some Warsaw Pact countries.

However, Soviet leaders have not abandoned nor have they substantially slowed the pace of their modernization. Soviet military forces continue to improve in quality and overall combat capability concurrently with President Gorbachev's announced force withdrawal and restructuring program.

Thus far, the Soviets appear to be carrying out their announced reductions. The Soviets claim to have reduced their active inventory by over 7,000 tanks, 3,000 artillery pieces, 700 aircraft, and 500 tactical nuclear weapons while completing a reduction in military manpower of 235,000. Although all these cuts are not assured, such reductions, combined with the Soviet Union's new defensive doctrine, make it increasingly unlikely that the Soviets could quickly mount decisive offensive operations.

The Soviet Union is, however, upgrading its residual forces, modernizing the remaining units while economizing on troop strength and materiel. Carefully orchestrated restructuring and modernization have led to qualitative improvements in Soviet forces. Even after the unilateral reductions, the approximate Warsaw Pact-to-NATO advantage in Europe will be nearly 2.5:1 for tanks and well over 2:1 for armored personnel carriers and infantry fighting vehicles. Many of these combat vehicles will be the most modern in the Soviet inventory, including the T-80 tank and the BMP-2 infantry fighting vehicle.

Other recent improvements in Soviet forces include:

- Deployment of ground-attack and air-to-air combat-capable helicopters;

- Fielding of the Flanker and Fulcrum aircraft and the SA-11 and SA-12A missile systems, thus improving both offensive air and air defense capabilities; and

- Fire support modernization in the form of highly accurate short-range ballistic missiles (SS-21, 100 km range), BM-22 220 mm multiple rocket launchers, and improved self-propelled cannon systems.

While the existing threat to NATO will have decreased somewhat as a result of the unilateral reductions, parity will not be achieved with the Warsaw Pact until after the implementation of a Conventional Armed Forces in Europe (CFE) agreement.

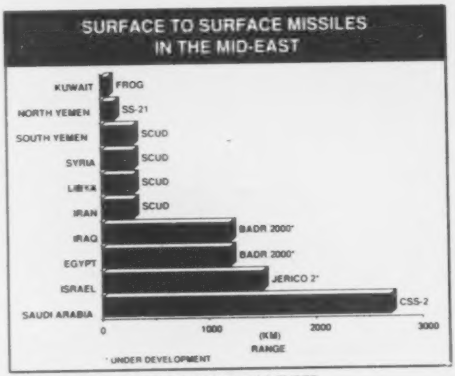
The Army must be prepared to meet Soviet or Soviet-backed forces outside Europe as well. While there are indications that the Soviets are withdrawing some forces from overseas bases, they have effectively expanded air and sealift for ground forces. Further, the Soviets continue to rely on arms exports as a major source of influence in the developing world. Moscow remains the largest supplier of weapons to Third World countries. Such sales create dependence on Soviet sources for spare parts, technical assistance, and training.

In sum, while there are encouraging signs of change to the Soviet military threat worldwide, and while President Gorbachev appears irretrievably committed to reducing the international and internal economic burdens of the Soviet military, it will be some time before the final results of his efforts are manifest. Factors such as the transition to quality over quantity in the Soviet military, continued Soviet force modernization, the internal instability resulting from the ineffectiveness of *perestroika* and the success of *glasnost* - in short the overall uncertainty of the success of President Gorbachev's reforms - suggest a cautious policy for dealing with the Soviet threat over the near term. Enduring political and social differences between the United States and the Soviet Union, regardless of the outcome of *perestroika*, mean that some form of competition between the superpowers will likely continue into the next century.

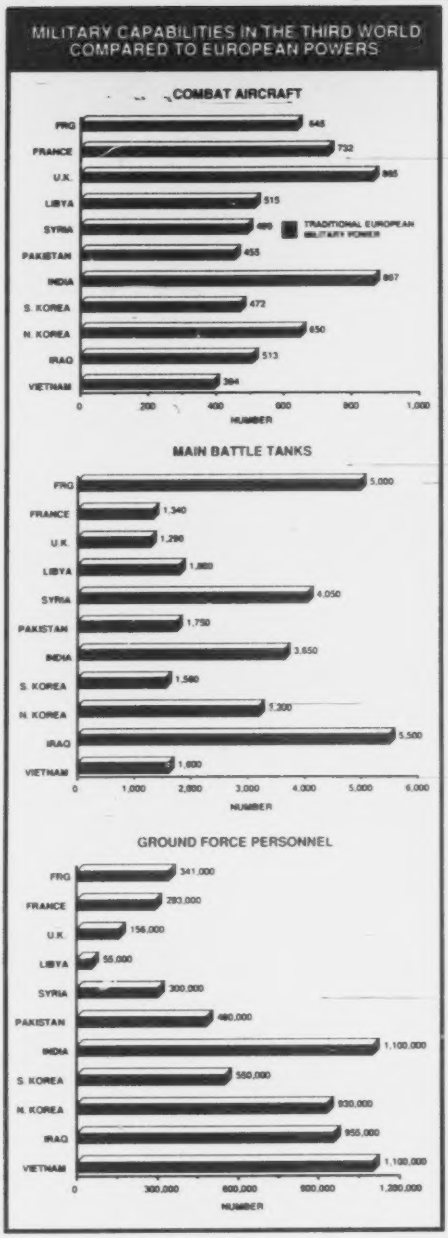
Trends in Developing Countries

Developing countries have undergone a dramatic qualitative and quantitative expansion of their military forces. Perhaps the best example of this trend is India, which has a large number of T-72 tanks for its ground forces, two aircraft carriers and a nuclear-powered submarine in its navy, as well as a very modern air force with MiG-27 and MiG-29 fighters. Many other developing countries have very capable armed forces. In general, increasing numbers of precision munitions, fire-and-forget antiarmor and air defense weapons, sophisticated signal and communications equipment, and motorized and mechanized systems are available to them.

Chemical weapons are rapidly becoming low-cost weapons of mass destruction for poorer nations. These weapons are neither difficult nor expensive to produce. The Iraqi and Iranian use of chemicals in the Gulf War is likely to encourage other combatants to use these weapons.



SOURCE INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES, THE MILITARY BALANCE, 1989-90



SOURCE: INTERNATIONAL INSTITUTE FOR STRATEGIC STUDIES, THE MILITARY BALANCE, 1989-90

In regions like the Middle East and South Asia, countries with a history of extreme hostility toward one another are developing the capability to deliver nuclear, chemical, and sophisticated conventional warheads on each other's homeland by surface-to-surface missiles. Countries are acquiring this capability in part by purchasing missiles from abroad and in part by developing their own. Missile proliferation will seriously affect the ability of nations to restrict the spread of conflict in future crises.

In Latin America, Cuba and Nicaragua continue to improve their military capabilities. Even with President Gorbachev's new emphasis on reducing conflict with the United States, the Soviet Union continues to support the Sandinista regime and to provide assistance to Cuba. The Soviet Union and Cuba continue to encourage Marxist movements in Latin America to destabilize governments and threaten U.S. interests in the region. Although there are indications of a slow down, the Soviet Union maintained the flow of military and military-associated equipment deliveries to Nicaragua in 1989 at the same average rate as in the last 3 years.

Central and South America are particularly burdened with weak economies, massive debts, poverty, and ethnic rivalry. Violence and instability hinder the development of democratic social and political institutions and economic growth. The combination of guerrilla groups and organizations producing and trafficking in narcotics significantly adds to these countries' formidable problems.

In the past decade, Asia has become increasingly more economically important to the United States, making regional stability vital to U.S. national interests. Although Soviet forces have left Afghanistan and the Soviets are withdrawing some forces from Vietnam, threats to U.S. interests in Asia remain. The Philippines continues to be plagued by a strong communist insurgency and unrest within the military. Cambodia is in a state of factional strife following the withdrawal of Vietnamese troops. Although it is temporarily hampered by serious economic problems, Vietnam could threaten its neighbors again. The Korean peninsula remains tense

The Sandinistas parade tanks in Nicaragua.

with over one and one-half million men under arms and with great pressure on the South Korean government to speed progress toward reunification. The People's Republic of China's liberalization is stalled, and its policies are in a state of flux as its leaders attempt to reach a consensus on the country's future direction.

In short, trends in the developing world hold great potential for increased instability. The next century could see a doubling of the present global population of five billion, with almost all of the increase occurring in the poorer nations. This population growth makes steady economic growth essential. However, in many instances, economic development must be achieved against a backdrop of inadequate infrastructure, a stressed environment, and a stock of natural resources nearing depletion. These conditions promote instability, provide fertile soil for insurgency, and are potential sources of regional conflict. When considered in light of the proliferation of modern arms, the situation in the developing world poses significant threats to U.S. vital interests worldwide. Under these circumstances, isolationism in any form is no longer a viable policy option.

Terrorism and Drugs

International terrorism is likely to continue as a primary threat to U.S. policies, citizens, and military in the decade of the 1990s. Not constrained by political frontiers and aided by relatively easy access to many types of arms and munitions, the international terrorist can strike across the globe virtually at will. In some instances, nation states employ terrorist groups as tools to advance foreign policy. In others, radical groups and unprincipled governments employ terrorism to destabilize opponents and to exact political and economic concessions. Combatting terrorism will remain a vital Army mission.

Premeditated murder and indiscriminate bombings are prominent terrorist tactics. The bomb that destroyed Pan Am flight 103 over Lockerbie, Scotland, on December 21, 1988, caused the deaths of all 259 passengers and crew and 11 people on the ground. There were 12 soldiers and 6 military family members among the victims. During 1988, the last year for which complete figures are available, there were 14 terrorist incidents directed against military targets. These resulted in the deaths of 2 U.S. military personnel (a U.S. Navy officer in Greece and a U.S. Navy enlisted woman in Italy), injuries to 15, and the taking hostage of a U.S. Marine Corps officer in Lebanon, who was apparently subsequently murdered. Attacks against the U.S. military continued in 1989. The assassination of U.S. Army Colonel James N. Rowe in the Philippines on April 21, 1989, is but one example. To the extent that American lives or property are threatened or involved in terrorist incidents overseas, U.S. forces must be prepared to act quickly. The continuing terrorist threat has caused the Army to tailor selected forces for counter-terrorist operations in a variety of operational environments and to adopt increased and costly anti-terrorist measures to protect soldiers and their family members worldwide.

The remains of the forward cabin of Pan Am Flight 103 lie on the ground at Lockerbie, Scotland after the aircraft was destroyed by a terrorist bomb.

A jungle cocaine laboratory seized by Colombian police and military forces

Terrorist groups also are becoming more involved in illegal narcotics trafficking in Latin America. This compounds the threat of terrorism because it offers lucrative sources of revenue while providing a worldwide smuggling network for procuring sophisticated arms and explosives. The President and Secretary of Defense have made countering illegal drug trafficking a high priority mission for the Department of Defense (DOD) and the U.S. Army. The Army fully recognizes the magnitude of this threat and is approaching this mission with the same dedication and resolve applied to more traditional Army missions. The danger to American citizens could grow as the U.S. government steps up its campaign against drugs. For example, while the cause of the crash is still being investigated, drug cartels are suspected of causing the crash of Avianca Flight 203 outside Bogota, Colombia, on November 27, 1989, killing all 107 passengers and crew. If this suspicion proves true, this represents a significant increase in the threat posed by narcotics traffickers.

Technology Transfer

To maintain an effective force in an era of increasingly sophisticated weapons, the Army relies on high technology to provide decisive advantages over increasingly sophisticated adversaries. The Army's quality weapon systems are effective only as long as the United States maintains a technological lead over potential foes. A key to maintaining that lead is preserving the security of vital components of a weapon's hardware as well as the methodologies in the research and development phase required to produce the system. In recent years, illegal transfers of advanced U.S. technologies have saved the Soviet Union billions of rubles and hundreds of man-years in research and development costs alone.

Through two programs, Weapon Systems Technical Assessment and Advanced Technology Assessment, the United States is identifying crucial components of critical technologies to pinpoint those advances requiring special protection, thereby permitting more prudent technology transfer. The programs allow the United States and its allies to realize the payoffs from increased cooperation in weapons development and acquisition while minimizing the risk of the transfer of sensitive technology to potential adversaries.

Hostile Intelligence Services (HOIS)

Despite *glasnost*, or perhaps because of it, Soviet intelligence services appear to have intensified efforts to extract technology and classified information from the United States. Using a vast array of assets, from high-technology satellite sensors to on-the-ground human intelligence collection, foreign intelligence services target the U.S. Army, searching for information and vulnerabilities. In FY89, Army counterintelligence investigations revealed 175 incidents of highly probable HOIS involvement. Four Americans and three foreign nationals were subsequently arrested for intelligence activities directed against the Army. The Army will meet the challenge of espionage in the 1990s through the use of modern security and computer systems and an effective security program.

Conclusions

There is surely reason to be optimistic that the Soviet Union can become a more open and pluralistic society, significantly reducing the size of its excessively large land forces and more clearly embracing the concepts of human rights and democratic political institutions. History suggests, however, that there are equal grounds for caution.

There is potential in the Soviet regime for a retreat from reform and openness and a return to a closed society that again confronts the external world. This potential is not limited to the Soviet Union. The domestic turmoil that often accompanies vast social restructuring is aggravated throughout the Warsaw Pact by ethnic conflict, economic inefficiency, and political instability. This turmoil alone creates uncertainties about the future intentions of the Soviet Union toward its neighbors and the West.

Moreover, despite the Soviet Union's announced unilateral cuts, the United States and its NATO allies will continue to face a severe force imbalance until the implementation of a CFE agreement. Meanwhile, advances in Soviet military technology and overall force modernization continue. Even if the Soviets reduce the size of their army and the quantity of their defense production in the 1990s, NATO will face a higher quality Soviet force with more powerful individual units designed for flexible offensive and defensive operations. A major lesson of the successful Intermediate-Range Nuclear Forces (INF) Treaty negotiations is that U.S. and NATO force deployments and modernization provide irreplaceable incentives for the Soviets to negotiate in good faith. The United States and its allies must continue to apply this lesson, especially over the next few years, to the negotiations on reducing conventional forces in Europe.

For the foreseeable future, therefore, deterrence and defense against potential Soviet and Soviet-supported military action in Europe and elsewhere will remain the most demanding challenges for the United States and its allies. In the years ahead, the West must be patient and vigilant, carefully examining Warsaw Pact military developments and bearing in mind that capabilities, not intentions, decide the outcomes of battles and determine the fates of nations.

The expansion of military power in the developing world presents new challenges to the United States. Conflicts there can pose clear threats to U.S. security interests, and the precise time and location of these occurrences are largely unpredictable. The underlying causes of these conflicts exist within the developing nations themselves and will not necessarily diminish even if Soviet international behavior continues to moderate. Indeed, as more developing countries gain significant military capabilities, they may resort more readily to force in settling local disputes.

But the obvious challenges in the developing world should not lead us to ignore the opportunities that also are present. Not only does the United States have a wide range of economic and political interests it can pursue with these countries, it also has considerable potential for enhancing mutual security. Security assistance and army-to-army initiatives provide ideal vehicles for advancing host country and U.S. interests. The continuing challenge will be to reconcile economic and defense concerns.

International drug trafficking, terrorism, insurgency, and subversion of legitimate democratic regimes will continue to pose serious threats to U.S. interests. These low intensity conflicts can undermine important allies and other friendly nations, impede the development of democratic institutions, and hamper essential U.S. economic and military ties. The dangers of low intensity conflict, and particularly of terrorism, are magnified by the increasing worldwide availability of sophisticated explosives and weapons. Precision-guided munitions are becoming available through illegal arms markets and from states supporting international terrorist organizations. Terrorist use of the ultimate weapons of mass destruction - chemical, biological, and nuclear arms - is not inconceivable. Clearly, low intensity conflict is the security challenge most likely to demand a short-notice U.S. military response in the future.

Supporting the National Military Strategy - Continuity and Change

The post-World War II Western strategy of forward defense and flexible response has achieved unprecedented success. The world has witnessed four decades of peace between the superpowers. U.S. allies in NATO have developed strong economies, and vast regions of the Americas, Africa, and the Middle East are now advancing politically and economically. The changes taking place in the Soviet Union and throughout Eastern Europe are, in part, a testament to the success of this strategy and to the inescapable attraction of freedom, democracy, and market-oriented economic systems. Success should not, however, cause the hasty discarding of the basic elements that have made this strategy work. Rather, it should lead to the evolutionary adaptation of the current strategy to meet both traditional challenges as well as the new threats and unique opportunities of the future.

For example, for the past four decades the Army has maintained strong forward-deployed forces as a deterrent to potential aggressors. Clearly, for the near term, these requirements should continue, although probably reduced in scope, as the United States adapts to the changing realities of the strategic environment. Similarly, in maintaining the capability to meet threats throughout the world, the Army cannot abandon the requirement, remote as it may seem as this is being written, of being able to defeat the heavy armored forces of potential adversaries . In the future, the Army must be able to deploy rapidly worldwide with the right mix of forces to conduct a range of operations from security assistance to all-out war. Hence, Army forces must be trained and ready not only to fight on the plains of Europe, but also to operate in the developing world where political and economic ambiguities will complicate conflict.

The Army must also be prepared to contribute to solving critical nonmilitary or paramilitary challenges to the country's security. America's future Army should be as competent in dealing with low intensity conflict in the developing world, providing security assistance, and supporting civil authorities, especially in the war on drugs, as it is in deterring and defeating today's external military threats.

The Army's Strategic Roles

The Army provides sustained land combat power to defend the Nation's interests and to protect the values on which the United States was founded. U.S. military strategy is designed to deter war, to limit the spread and escalation of conflict should deterrence fail, and to terminate such conflict on terms favorable to the United States and its allies. It rests on the enduring tenets of forward defense, coalition warfare, and flexible response. Flexible response is based on the ability to respond to aggression with a wide variety of options and requires a full range of military capabilities to counter threats to U.S. interests.

The United States relies on the Army to fulfill essential strategic roles in support of the national military strategy. The Army provides forward-deployed forces ready to respond immediately to protect U.S. interests in critical areas of the world. Army combat-ready contingency forces with forced-entry capabilities allow the United States to insert multiple corps-size units into threatened areas around the globe. Should regional or global conflict occur, forward-deployed and contingency forces can be quickly augmented for sustained land combat by reinforcing forces maintained in the United States.

ARMY STRATEGIC ROLES

- **Provide forward-deployed ground forces for deterrence, sustained land combat, and conflict termination in areas of vital interest**
- **Maintain combat-ready ground forces -- heavy,light, and special operations -- in CONUS for immediate contingencies worldwide**
- **Maintain forces in CONUS able to reinforce forward-deployed and contingency forces**
- **Participate in disaster relief, emergency assistance, and interdiction of illicit drug traffic**
- **Provide support to allied and friendly nations through peacekeeping, security assistance, and army-to-army initiatives**

Army theater nuclear forces provide the essential link between conventional forces and intercontinental nuclear forces. The Army also provides regional peacekeeping forces and security assistance to allies and friends around the world and stands ready to fulfill its traditional role of supporting civil authorities.

These diverse Army roles will continue to serve U.S. defense needs in a complex and continually evolving international environment. The Army must retain these roles as it shapes the Army of the future.

Global Focus

U.S. vital interests are increasingly linked with those of allies and other friendly nations around the globe. Consequently, the United States has sought to develop and sustain collective security alliances against mutual threats. These alliances seek to deter war while maintaining a secure environment within which the United States and its allies and friends can pursue legitimate interests.

Finite Army forces are not capable of defending with appropriate strength simultaneously against every threat. Multinational security relationships allow the United States to conserve its resources while increasing the capability to deter and, if necessary, to fight by combining U.S. activities with those of friends and allies. Effective security relationships maximize available forces, reduce the risk of involvement of U.S. forces, and increase cooperative defense measures. In support of these relationships, the United States maintains forward-deployed forces to expedite timely U.S. and allied responses to threats and to serve as a visible manifestation of U.S. resolve and commitment to protect Free World interests. The Army's aim is to maintain the proper mix of forces, unilaterally or in conjunction with allies and friends, to deter and defeat aggression when and where required.

The Army provides forward-deployed forces. . .

. . .as well as combat-ready ground forces for immediate deployment worldwide.

NATO

NATO has been the most successful peacetime alliance in history, maintaining the peace in Europe for over 40 years. Europe's extensive historical, economic, and political ties to the United States make its security a vital U.S. concern. U.S. activity within NATO is an important element in the U.S.'s overall relationship with the other 15 nations which make up the alliance. The requirements of NATO defense plans generally serve as the preeminent guide for executing regional U.S. military strategy against the Soviet and Warsaw Pact threats. The combined military capabilities that can be brought to bear by the nations in Europe as a result of NATO far outweigh what any one country could contribute.

The Army works within NATO to refine combined U.S. and NATO army doctrine and tactical concepts, to achieve procedural and materiel standardization and interoperability, and to improve intelligence sharing and combat-sustainment abilities. The Army continues to seek expanded host nation support contributions from NATO nations and to foster improved military-to-military relations.

The conclusion of the INF Treaty, recent events in Eastern Europe, and the progress of the CFE talks

Rothenburg 65 km
Nurnberg
Wurzburg
hheim 27 km

The Army maintains a major commitment to NATO.

have led to a lowering of the level of confrontation in Europe and to increased expectations of defense savings among NATO populations. The task of reaching and implementing a successful conventional arms control agreement is still before the alliance. It will require that the United States work closely with its NATO allies, especially in ensuring that the adjustments in individual country's defense policies continue to contribute to collective security. Whatever the outcome of CFE, the Army will continue its effective cooperation with the allies to maximize their contribution to the common defense.

East Asia and the Pacific

There are no alliance systems like NATO in the East Asia and the Pacific region. There are instead a number of bilateral and regional ties, some involving separately the United States, the Soviet Union, or China.

The Army maintains forces in Korea.

Army forces conduct exercises in Australia.

The diverse geopolitical and military characteristics of the East Asia and the Pacific region make assessing the military balance there far more difficult and different than making the assessment in Europe.

While the conclusion of the INF Treaty, which will remove some Soviet missiles from Asia, was welcomed by Asian nations, they remain concerned with the Soviet conventional force structure in the region, especially naval and air power. U.S. allies and friends are also attentive to the areas of tension in the region, particularly Indochina and the Korean peninsula.

National security objectives in the region include sustaining U.S. influence throughout the area, ensuring access to critical strategic materials and markets, and providing a counter to Soviet power. The United States carries out its strategy in East Asia and the Pacific through bilateral defense treaties and forward deployment of forces. The primary security relationships are with Japan, the Republic of Korea, the Philippines, Thailand, and Australia. The major forward deployment of U.S. Army forces remains in the Republic of Korea.

The Army works within these bilateral agreements to improve combined doctrine, tactics, and overall interoperability. The Army also seeks to enhance U.S. and foreign military relations and intraregional cooperation among the nations as well as to acquire regional and host nation support for U.S. activities in the region.

U.S. and allied forces in East Asia and the Pacific are capable of responding effectively to regional conflicts for the foreseeable future. The United States will continue to improve its military relationships with its friends in the region to ensure the continuation of bilateral defense ties and the promotion of democracy.

Latin America

In Latin America, U.S. relations are governed by U.S. foreign policy, strategic interests, and bi- and multilateral treaty commitments. The latter include the Inter-American Treaty of Reciprocal Assistance, also known as the Rio Treaty, which established the

Organization of American States and the Inter-American Defense Board, in which member nations condemn war and agree to come to each other's assistance if attacked; the bilateral U.S.-Panama Canal Treaties, which provide for defense of the canal, turnover of the canal to the Republic of Panama by the end of 1999, and the continued neutrality and use of the canal by all nations; and the U.S.-Honduran Security Agreement of 1954, which promotes bilateral cooperation.

U.S. objectives in Latin America seek to support democracy and economic development. The United States counters Soviet, Cuban, and Nicaraguan adventurism by maintaining U.S. influence and ensuring access to strategic lines of communication, materials, and markets. Military-to-military contacts with countries in the region vary. The Army works within existing agreements to improve combined doctrine, tactics, and training. It also provides appropriate low intensity conflict training to strengthen the self-defense capabilities of countries facing internal threats. Strengthening military cooperation to reduce the flow of illicit drugs into the United States is an increasingly important aspect of U.S. relations in the region.

Middle East and South Asia

The diverse geopolitical situation in the Middle East and South Asia region makes it difficult to predict the exact form that threats to U.S. vital interests in the region will take. The region remains a highly armed camp with almost daily occurrences of terrorist violence, an uneasy truce in the Iran-Iraq war, and a simmering Islamic fundamentalist movement that threatens the internal stability of moderate states. Army relations with countries in the Middle East are governed by U.S. foreign policy and strategic interests and by a declaration of ommitment to the region's peace, stability, and security. The soldiers who serve in Egypt's Sinai Peninsula as members of the United Nations Truce Supervision Organization and the Multinational Force and Observers are visible symbols of the Army's commitment to peacekeeping in the Middle East. The Army remains prepared to participate in appropriate uses of military force to maintain access to Persian Gulf oil. Army relations with nations in South Asia are limited, with the exception of Pakistan, where activities are based primarily on security assistance.

Soldiers patrol as part of the Army's peacekeeping operations in the Middle East.

Little change is anticipated in the Army's future role in the Middle East and South Asia, although Army participation will certainly continue in security assistance, multinational peacekeeping operations, and combined exercises.

Africa

In Africa, U.S. relations are governed by the U.S. commitment to promote sustained and equitable economic and social development as the keys to a stable, peaceful, and secure Africa. The United States seeks to counter destablizing and counter-productive foreign influences by assisting the region's governments in protecting their natural resources and supporting internal reconciliation and development efforts to promote the continued growth of democratic values.

Burdensharing

Fiscal pressures and competing demands for resources within the United States have led to questions about the equity of America's contribution to collective defense arrangements. These discussions have the potential to lead to an even stronger collective defense, but they could also become an avenue to unilateral actions that could bring about the opposite effect.

Burdensharing is a complex alliance issue with no easy solutions. There is no agreed-upon formula to compute and measure a nation's fair share. Some forms of burdensharing, such as defense outlays, allow for precise calculation, but other less tangible but important contributions defy quantification. Invariably, any burdensharing measurement is incomplete and subject to interpretation through a prism of perceptions.

The challenge is to work with allies to develop a concerted strategy that will lead to a more cost effective and fair sharing of the roles, risks, and responsibilities of collective defense while always maintaining an effective deterrent. Recent U.S. and allied discussions on burdensharing have brought about increasingly positive allied responses. The allies recognize the seriousness of the issue and the need to establish a more equitable sharing of the common defense. However, significant increases in allied defense budgets in the near to mid-term will continue to be difficult and, in some cases, are unlikely, especially in light of events unfolding in Eastern Europe. Mutual benefits can, however, be achieved through cooperative efforts in research, development, and armaments production; logistic sustainment programs; better alignment of doctrine and equipment; role specialization; and host nation support programs.

While financial savings may be realized through burdensharing arrangements, cost reductions should not be the principal goal. Burdensharing agreements that inequitably tax one nation or result in reductions in capabilities for defense can undermine collective security and must be avoided. The Army, particularly in developed areas of the world, is dependent upon the intricate network of agreements with host nations that comprise a major part of burdensharing.

Army International Activities Plan (AIAP)

The AIAP establishes the methods and means the Army will use to enhance activities that involve U.S. Army interactions with the armed forces, governments, and industries of foreign nations. International activities support U.S. military strategy by seeking to deter war and reduce the potential for armed conflict, while maintaining a secure environment within which the United States and its allies and friends can pursue legitimate interests. Successful international activities strengthen army-to-army relations, promote allied and friendly support of U.S. foreign policy and military strategic objectives, and lower U.S. force requirements to meet regional contingencies.

The AIAP recognizes the realities of change in the politico-military environment, the evolving threats to U.S. interests, and the diminishing availability of national defense resources. It supports international activities that seek to develop and sustain collective security alliances and to strengthen allied and friendly nations' defense against internal and external aggression. The plan's activities also foster support for forward-deployed forces as a symbol of U.S. resolve and to facilitate timely U.S. and allied responses to aggression. Army international activities include cooperative research, development, acquisition, and production; information and data exchanges; international logistics; personnel and unit exchanges; training and exercises; politico-military actions; rationalization, standardization, and interoperability; and security assistance.

The Army seeks to build strong relationships with the armed forces of friends and allies: U.S. soldier learning how to fire a German machine-gun.

U.S. troops on an exercise with Turkish soldiers

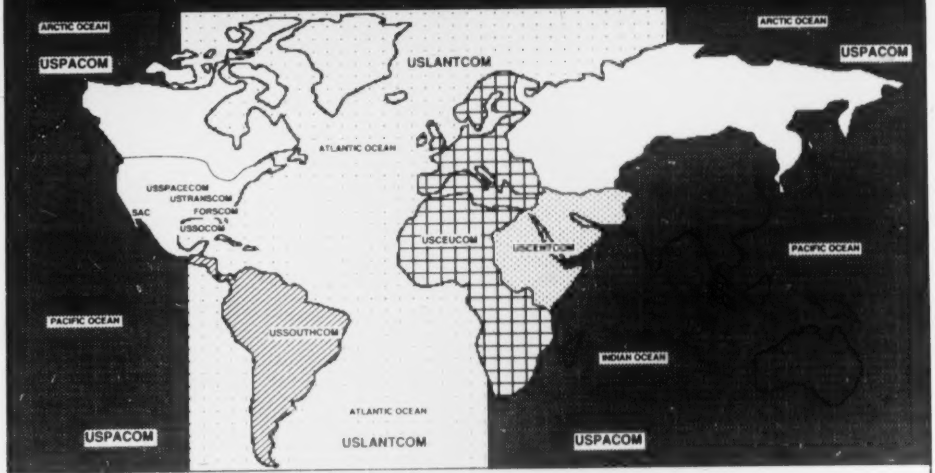
The AIAP integrates the diverse worldwide international activities of the Army and provides centralized planning at the Army level with continued decentralized execution at the regional Army component command level. Centralized planning ensures that activities are commensurate with U.S. strategic objectives and a country's importance to U.S. interests and that activities selected offer the greatest return for the resources expended.

Supporting the Theater Commanders-in-Chief (CINCs)

CINCs have responsibility, through the Chairman, JCS, and the Secretary of Defense to the President, for employment of U.S. forces in their respective theaters. The Army prepares and provides forces through the Army component commanders for the CINCs to carry out their war and peacetime missions.

To prepare and maintain sufficient forces, the Army must plan for and allocate its resources through

COMMANDERS' AREA OF RESPONSIBILITY



U.S. EUROPEAN COMMAND (USEUCOM)
U.S. PACIFIC COMMAND (USPACOM)
U.S. ATLANTIC COMMAND (LANTCOM)
U.S. SPACE COMMAND (USSPACECOM)
FORCES COMMAND (FORSCOM)
U.S. SOUTHERN COMMAND (USSOCOM)
U.S. CENTRAL COMMAND (USCENTOM)
U.S. SPECIAL OPERATIONS COMMAND (USSOCOM)
U.S. TRANSPORTATION COMMAND (USTRANSCOM)
STRATEGIC AIR COMMAND (SAC)

several short- and long-term planning, programming, and allocation processes. The CINCs have an important voice in Army and DOD program formulation by contributing their views and priorities at several stages of program review.

The most important of the Army's planning and programming processes are:

- The Army Long-Range Planning Guidance, which formulates broad direction for the Army's activities for the next 30 years;

- The Army Plan, which describes resource allocations for the next 7 years and projects resource guidance for the next 15 years;

- The Program Objective Memorandum, which declares resources for specific programs for the next 6 years; and

- The Army Budget, which provides funds for all Army activities on a biennial basis.

In addition to outlining their priorities in these Army processes, the CINCs also provide a comprehensive overview of their theater requirements in the Integrated Priority List. The list reflects the assessment of the theater threat and consequent degree of risk resulting from the level of forces allocated to meet the threat. In the difficult process of providing trained, equipped, and ready forces, the Army weighs heavily the requirements of the theater CINCs.

Additionally, the Army, in conjunction with the other services, has made significant strides in joint force employment planning and joint force development. The recent contingency operation into Panama was a clear demonstration of the improvements that have been made in the planning, deployment, and employment of joint forces as a result of the renewed emphasis on joint operations.

Arms Control

The concepts of forward defense and coalition warfare are central to the military component of U.S. national security strategy. A third component, combining both political and military aspects of national security planning, is arms control. Arms control policies, when developed with deliberate care and pursued with a prudent appreciation of the inherent risks, complement U.S. and allied efforts to secure a more peaceful world.

The benefits of arms control are demonstrated by the INF Treaty, which entered into force on June 1, 1988. The treaty provides for elimination within 3 years of all U.S. and Soviet ground-launched cruise and ballistic missile systems in the range of 500-5,500 kilometers. Both parties have conducted extensive on-site inspections and elimination activities since the treaty entered into force.

The INF Treaty is particularly noteworthy because of the U.S. arms control objectives and procedures it supports:

- Elimination of an entire class of Soviet and U.S. missiles, including a ban on their deployment, storage, testing, or production;

- Asymmetrical reductions to equality through greater Soviet reductions because they possess higher force levels; and

- Unprecedented verification provisions, including detailed INF data exchange at specified intervals; on-site inspections; a flight test ban; and a prohibition on interference with monitoring by national technical means.

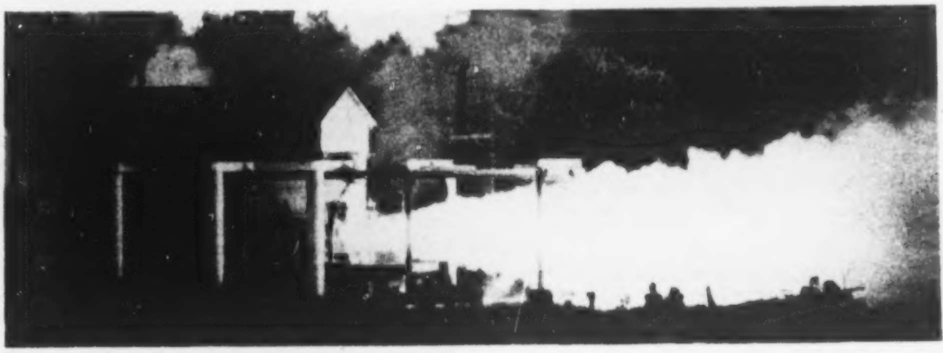
The 1986 Stockholm Document of the Conference on Confidence and Security Building Measures and Disarmament in Europe, or CDE as it is better known, has also contributed significantly to improved mutual understanding among armed forces in Europe. CDE provisions have permitted all 35 participating nations to observe each other's military forces and activities, thus improving familiarity and certainty in assessing intentions. This has been a key element in the relaxation of tensions and the building of greater trust and confidence among the military forces of NATO, the Warsaw Pact, and the neutral and nonaligned nations of Europe.

The Stockholm Document provides for the exchange of annual calendars of planned military activities, the notification of military exercises 6 weeks prior to their being conducted, observation of large-scale military activities by observers from all participating states, and on-site inspection of suspicious activity without the right of refusal. This agreement was the first in a conventional arms control process that could result in significant reductions in the levels of armed forces in Europe, thus reducing the risk of war.

Parallel to CDE, in March 1989 NATO began negotiations with the Warsaw Pact on the reduction of conventional armed forces in Europe, the CFE talks. If successful, CFE will enhance national security by reducing the levels of armaments and the risk of war in Europe through highly asymmetric Warsaw Pact reductions in tanks, artillery, armored troop carriers, helicopters, and combat aircraft. The Army continues to support fully a rapid conclusion of these negotiations consistent with U.S. and allied security requirements.

In the area of chemical weapons (CW), the Army fully supports the U.S. national policy of achieving a comprehensive, truly global, and effectively verifiable ban on CW. Toward that goal, a CW treaty was tabled in April 1984 by then Vice President Bush and is being negotiated by the 40-nation Conference on Disarmament which meets in Geneva twice a year. The Army interest is to deter chemical warfare during the transition to a global ban. A viable CW deterrent is comprised of both an effective chemical defense and a safe retaliatory capability. This requires maintaining both a force equipped and trained to operate in a chemical environment and a binary CW stockpile for retaliation. U.S. forces cannot afford to be subjected to the threat of CW attack or, worse, be forced to assume a chemical defensive posture without having the ability to retaliate in kind.

The United States and the Soviet Union are presently the only declared possessors of CW; however, there are many states which have not declared that they have CW but possess this capability, some of which have used CW during recent military conflicts.



A Pershing missile motor is destroyed by igniting it as required by the terms of the INF Treaty.

Proliferation of CW in developing nations will continue to be a major concern, and current verification and monitoring technology is insufficient to ensure compliance with a global ban. The Army believes that for a ban to be truly effective it must be verifiable and include more than just the United States and the Soviet Union. Until this can be satisfactorily achieved, the Army will continue to support the maintenance of a force capable of operating in a chemical environment and the possession of a modern CW deterrent stockpile as prudent preventive measures against CW use.

Complementary Operations

The Army conducts complementary operations in support of civil authorities and friends and allies throughout the world. Security assistance goes to nations around the globe in an effort to improve their military capabilities and to build contacts useful as avenues of communication with foreign leaders. Domestically, while the Army has traditionally provided assistance to civil authorities for such things as disaster relief, it has more recently taken on an expanded role in the Nation's counternarcotics effort.

Evolving Security Assistance Program

Security assistance is an essential element of the Nation's global defense posture and a component of U.S. foreign policy and military strategy. Security assistance policy requires the Army to be prepared to help friendly and allied countries strengthen their military capabilities through training, services, and the transfer of equipment. The program also assists friendly regional forces to modernize their equipment. Other Army security assistance activities, such as professional military exchanges, exercises, surveys, and training teams, improve the professionalism of friendly ground forces and establish channels of communication with foreign military leaders and government officials.

The U.S. security assistance program has undergone a series of steady and deep cuts in aggregate funding levels over the last several years. These cuts and earmarking have prevented the administration from allocating adequate security assistance resources to several countries, especially those in Latin America and Africa, that are strategically important to U.S. national security and the Nation's warfighting strategy. This situation creates the danger of eroding friendly nations' confidence in the United States and offers an invitation to adversaries to pursue global adventures.

It is imperative that the security assistance program be adequately funded and sufficiently flexible to ensure its contribution to U.S. strategy. A successful program will promote deterrence and stability in those developing countries facing low intensity conflicts. To achieve these goals, the Army supports providing adequate resources and flexibility to satisfy the requirements of the security assistance effort.

In addition, the Army will work with the other services to ensure that military support to security assistance is as efficient and effective as possible and supports national goals. In Latin America, the Army will provide military and law enforcement assistance to Bolivia, Colombia, and Peru in order to stop the production of drugs and their exportation to the United States. This assistance will consist of training for law enforcement units engaged in anti-drug efforts as well as instruction for military personnel in the operation and maintenance of U.S.-furnished military equipment. The United States also will make available to these Andean countries excess equipment for their military units so they can participate with local law enforcement agencies in a comprehensive national counternarcotics program.

Counter-Drug Effort

The international violence and instability caused by the illicit drug trade pose a direct threat to U.S. national security, values, and institutions. Army personnel and units are participating or assisting in every facet of the national counter-drug program. Every day more than 800 soldiers perform counternarcotics missions. In FY90, the Army expects to expend almost $185 million on counternarcotics programs and equipment to support them. Army forces are being provided to the Unified Commanders to assist in the development and execution of counternarcotics plans. Personnel, equipment, training, intelligence, communications, and other required support is being provided to a wide range of civilian law enforcement and other U.S. governmental agencies, as well as selected foreign counternarcotics forces. Army forces have been providing training and support to antinarcotics units in Latin America for some time. Some of the most notable of these efforts have been in support of the Colombian and Bolivian armed forces.

Within the United States, the Army provides assistance to the anti-drug programs of federal, state, and local agencies. The active Army has diverted unit train-

The Army is committed to help stop the flow of drugs, like this cocaine found by Colombian authorities under the deck of a small fishing vessel.

ing missions to the Southwest border where they support the U.S. Border Patrol. Army National Guard forces are supplementing the U.S. Customs Service in cargo inspection at sea ports, international air terminals, and border crossing points. They also assist in air and ground surveillance of illegal drug traffic, eradication of marijuana crops, and transportation of law enforcement personnel.

The Army's role in counternarcotics activities will increase as requirements are defined by the combatant commanders and law enforcement services. As counternarcotics missions increase, the Army will combine anti-drug operations with training for more traditional roles to achieve optimal readiness and allocation of resources.

Involvement in the national campaign against illegal drugs is consistent with the Army's role as a strategic force, fulfilling the overall mission of safeguarding the national security of the United States both at home and abroad.

Support to Civil Authorities

The Army provides valuable, yet often overlooked, support to civil authorities, especially in the area of disaster relief. The Secretary of the Army is the Executive Agent for the Secretary of Defense in the execution of designated DOD missions in support of civil authorities, and the Army has the preponderance of forces capable of rapid response to contingencies in the United States. While specialized training, such as fire fighting, may be provided by the requesting agency, in most cases normal Army readiness training will prepare individuals and units to accomplish assigned tasks. In the past year, Army forces were committed to five domestic emergency operations. Army support included providing personnel to fight forest fires in Oregon and Idaho; shelter, military police and medical assistance, and transportation following the earthquake in California; equipment to assist in the clean-up of the Alaskan oil spill; equipment and fresh water in the areas struck by Hurricane Hugo; and military police to restore order on St. Croix in the wake of the hurricane. The Army's response in these cases was swift and tailored to the requirement.

Over the past year the Army responded to a variety of requests for emergency assistance, including military police support after the earthquake in California.

Conclusions

Because of its geographic and political position in the world, the United States must rely on a coalition strategy, working in cooperation with allies and other friendly nations to protect mutual interests. The unprecedented period of peace in Europe and Northeast Asia demonstrates the strategy's success. Cooperation with other nations has also characterized U.S. actions in the Persian Gulf, the Middle East, Central America, and elsewhere.

The evolving international environment is, however, making alliance relations more complex, with several close allies emerging as leading economic powers in their own right. While the Nation cannot allow the combined stresses of economic competition and budget constraints to compromise shared interests, it is clear that changing political and economic conditions will affect allied security arrangements. The years ahead will likely witness an evolution in the sharing of defense burdens and risks among coalition partners.

As the complexity of the adjustments facing U.S. alliances grows, there will, however, be no substitute for the leadership that the United States has provided to the West. No other allied or friendly nation has, or is likely to develop, the necessary economic, political, and military power to replace the United States in that role. Nonetheless, the United States is not so independent that it can routinely act alone. It will continue to depend on the cooperation and support of allies and other friends, just as they will continue to expect from the United States the leadership it has provided since World War II. As such, NATO clearly will remain an essential instrument for promoting stability while Warsaw Pact countries attempt to reform their political and economic structures. A strong NATO will be a fundamental guarantor of U.S. interests, European stability, and continued peaceful relations between East and West.

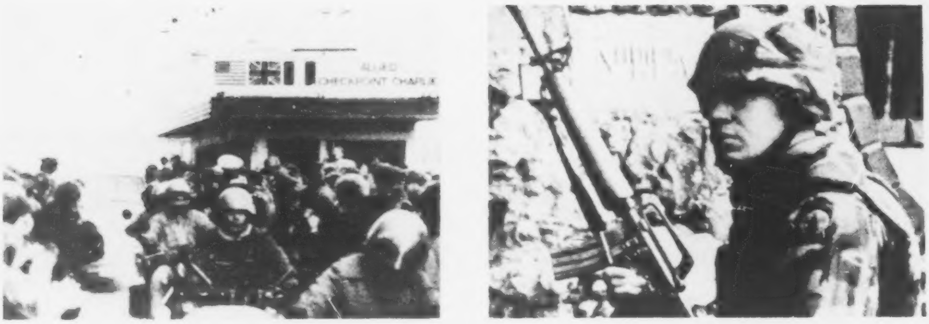
The basic elements of U.S. post-World War II strategy will likely continue to guide the United States for some time. Consequently, forward deployment of combat-ready forces in places where U.S. interests require them will remain a key role for the Army. The scope of this role, however, may be reduced in the near future as a result of improved security and new arms control agreements. The challenge will be to ensure that deterrence, stability, and ongoing arms control negotiations are not undermined by premature or excessive reductions of forces or capabilities.

Other enduring Army roles will be those of maintaining contingency and reinforcing forces in the United States. These contingency forces must have a full range of military capabilities, for they furnish the Nation with flexible options needed to fashion appropriate responses to challenges to U.S. security interests in trouble spots around the world. Forces in the United States must also be able to reinforce forward-deployed and previously committed contingency forces, ultimately backing them by the full mobilization of the military and industrial potential of the United States if required.

Support to allies and other friends around the world, in the form of peacekeeping operations, security assistance, and nation building activities, has been a historical Army role. Recently, this mission has acquired new meaning in view of the challenges to, and opportunities for, democracy in the developing world. The Army has also continued to support civil authorities in such areas as disaster relief and emergency assistance; and it has received new missions in the war on drugs.

Considering this array of challenges, the world of the future will not be any simpler nor necessarily any safer than it is today. Indeed, as the Army moves into the 1990s, it will confront a security environment that is demanding, diverse, and dangerous. These challenges will become more difficult in an era of scarce defense resources.

II. Shaping the Force - The Way Ahead



In shaping the force, the Army must adjust to the evolving international environment.
Above, East Germans pour through the newly opened Berlin Wall. An American soldier in Panama during Operation Just Cause

Determining a Direction

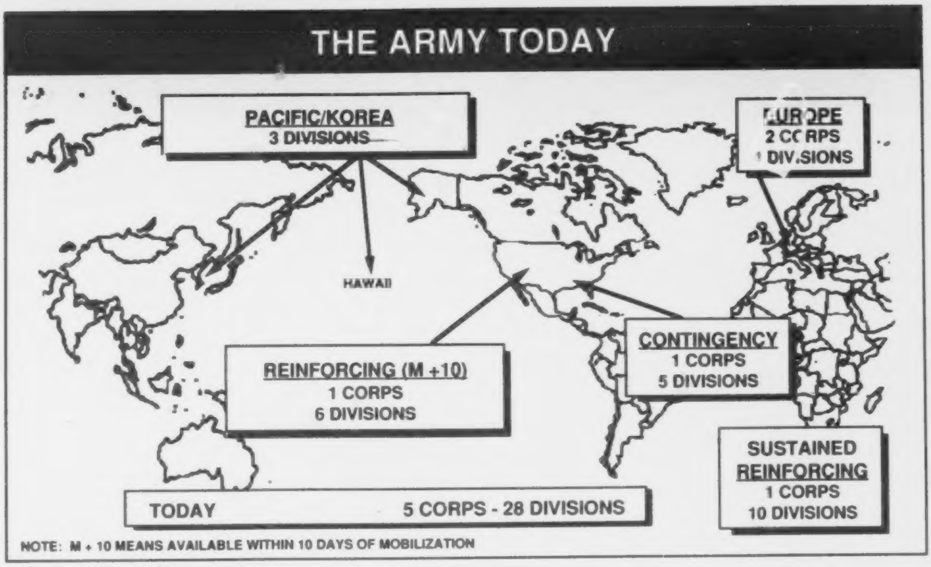
Some of the recent trends in the international environment have been apparent for some time, others have materialized unexpectedly. In 1988, the Army refocused its planning process to gain the initiative in adapting to the evolving global situation by developing a strategic concept for the Army of the future. This concept attempted to minimize risk to key national interests and to maintain flexibility in responding to changes in the international environment. It has provided the framework within which the Army has continued to evaluate the impact of strategic, threat, and resource developments on its programs. When faced with the fact of substantially reduced resource availability, at least through the mid-term, the Army used this framework effectively in the difficult process of posturing itself for a diverse and uncertain future.

Today's Army is the best trained and most ready peacetime force in the Nation's history. Over the past decade, it has undergone an extensive transformation that has prepared it well for the changes ahead. It is forward-deployed, and globally oriented. Its size and shape have been determined by the existing strategic environment, current doctrine, and past resourcing levels.

In evaluating the potential for a significantly reduced Soviet threat over the mid-term and sharply declining resources over the same period, three things became clear to Army planners: first, that the Army could not man, train, and equip its current 5-corps, 28-division force and the related support infrastructure while maintaining the indispensable quality of the force; second, that to reshape the force to counter the rapidly changing threat in a climate of declining resources, while maintaining a full range of capabilities to support the national military strategy, would require a clear vision of a mid-term force (size and capabilities) and a disciplined adherence to valid priorities; and, third, that during any reshaping of the force the Army must retain the capability to expand if the international situation changed radically.

The Army developed the mid-term force objective based on historical analysis of previous large Army restructurings, a careful assessment of the evolving threat, and a determination of the capabilities that the Army would require in 1995 and beyond. Past examples of demobilizations following World War II, Korea, and Vietnam indicated that the capabilities of the force declined markedly when the Army eliminated large numbers of soldiers from its ranks. The Army found, to the detriment of the Nation, that as a result of these lost capabilities Army forces suffered substantial and avoidable losses when committed to unanticipated combat. It was also noted that the requirement to reduce and restructure today's volunteer force would differ significantly from these past demobilizations.

Threat analysis indicated that, while there was cause for cautious optimism with regard to the future direction of the Soviet and Warsaw Pact challenges, other threats were becoming more likely and increasingly sophisticated. Finally, an analysis of the capabilities the Army would need to fulfill its strategic roles in 1995



THE ARMY TODAY

NOTE: M + 10 MEANS AVAILABLE WITHIN 10 DAYS OF MOBILIZATION

concluded that, while its fundamental roles would not change over the mid-term, there was potential for change in the way these roles might be exercised. For example, given the continuation of the positive developments in the Soviet Union and Eastern Europe and implementation of a CFE agreement, it is likely that forward-deployed forces could be reduced. Further, the increased warning time that may result from reductions in Soviet forces west of the Ural Mountains could lead to changes in reinforcement criteria for forces based in the continental United States. The capability analysis also concluded that developments in the Third World would lead to an increased role for the Army in contingency operations (an assessment that proved correct in the recent Panama operation) and in complementary operations - disaster relief, interdiction of illicit drugs, security assistance, and support of civil authorities.

The Army of the Future

The force structure plans presented here are based on Army analysis of the evolving threat, both in Europe and elsewhere, and on the new budget realities. These plans will be subjected to scrutiny in the Total Force Policy Study and the FY92-97 Program Review before final DOD decisions on the future Army force structure are made.

The Army concluded that the Army of 1995 must be a smaller, capable force; forward deployed in sufficient strength to provide a credible deterrent and to demonstrate unambiguous U.S. commitment and resolve to its allies; globally oriented; and clearly able to execute worldwide contingency operations. It must have an appropriate mix of forces, be adequately modernized, and be fully trained and ready to respond on short notice.

The Army's current plan envisions a force in the mid-1990s of 4 corps and 23 divisions. Attaining this posture while maintaining the quality of the force will require reducing the active force structure and overseas presence (given appropriate international agreements), and modernizing with an emphasis on the future. To succeed in the evolving international environment, this force will require an Army with three fundamental qualities: tomorrow's Army must be versatile, deployable, and lethal.

A Versatile Army

The Army must be able to counter a wide array of potential and unpredictable threats with a relatively small force. The Nation cannot afford to maintain forces uniquely specialized for every conceivable geographical area and type of combat. Therefore, a highly capable, versatile Army with both forward-deployed and U.S.-based elements will be the most effective solution to worldwide requirements for ground forces. The ability to tailor force packages for specific missions without delays for retraining or mobilization will be critical. Versatility will require the right proportions of Active and Reserve Components, the correct mix of forces (heavy, light, and special operations), adequate sustainment stocks, and, above all, high quality in all aspects of the force.

In view of the rapidly changing international environment, the precise time, location, and nature of the threat will always be uncertain. Versatility demands intensive training and frequent exercises. For the Army

In the future, the Army must be versatile . . .

of the future, training programs and worldwide deployment exercises will have to demonstrate the ability to tailor force elements, to deploy them within anticipated contingency warning times, and to employ and sustain them as necessary to assure success. Therefore, the Army must maintain and possibly expand today's already substantial active force capabilities dedicated to immediate contingency response.

Versatility will also be essential in enabling the Army to meet other challenges. The Army anticipates the need to support national efforts to combat drug trafficking and terrorist organizations. Assisting civil authorities in disaster relief and during other unforeseen emergencies will similarly demand adaptive and responsive Army civilians, soldiers, units, and leaders. The same will be true of the Army elements that will carry out security assistance efforts in the future. The focus in this area will be on programs that yield a multiplier effect in host nation armies. Leader development initiatives, training enhancements, joint exercises, and exchange programs - more than equipment transfers - frequently shape how friendly armies address their needs and help defend mutual interests. Such activities will be given new emphasis. In addition, U.S. offers of materiel under security assistance will be tailored to match needed military capabilities with available resources.

As the Army gets smaller, the quality of its people - soldiers and civilians - more than any other characteristic will determine the versatility of the Army. With a volunteer force, the Army must provide incentives to attract and retain the highest caliber men and women. This means that the Army will have to provide not only adequate compensation, but also a living and working environment that meets the standards of American society.

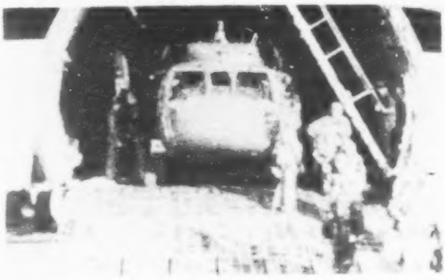
A Deployable Army

The nature of U.S. interests around the world and its coalition-based strategy will require that U.S. forces be globally deployable, often with little or no warning, from the United States or from forward bases. While operational circumstances will determine which deployment mode is best in each case, the Army must have forces prepared to execute either option. Recent events in Panama and current trends in the international security environment make it abundantly clear that rapid deployment will become even more important in the future.

Forward-deployed ground forces will continue to be essential, although their specific numbers will change to reflect contemporary circumstances. Soviet acceptance of the President's proposal for reducing conventional forces in Europe, for instance, would lead to reductions in the size of Army forces based there, and these reductions are likely to be substantial. The locations of Army bases abroad, moreover, are likely to be limited to those areas where deterrence and regional stability cannot otherwise be assured.

In the future, the United States will also have to maintain an unquestionable ability to conduct an opposed entry into combat in defense of vital interests anywhere. In many contingencies, a forced entry will only be possible, or will best be achieved, by simultaneous airborne assault. Army airborne and ranger forces are uniquely capable of performing this function. They will remain a key element in the Army of the future.

Even the most deployable and combat-ready land force cannot be employed without adequate strategic lift. The United States cannot afford to risk the effectiveness and credibility of its overall defense strategy by failing to develop and field adequate worldwide lift assets. Airlift and sealift assets currently available or approved for acquisition are inadequate. This deficiency will have to be corrected in the immediate years ahead. Of particular importance will be the further development of sufficient sealift capacity to support contingency requirements. It is vital that adequate resources be allocated to correcting these serious shortfalls in U.S. sealift and airlift.



. . . deployable . . .

A Lethal Army

Lethality is the assured capability to defeat an opponent, winning as quickly as possible to preserve the Army's most valued asset - the lives of its soldiers. Assuring the lethality of Army forces will demand a disciplined, continuous modernization effort. This will mean maintaining the capability to counter the heavy armored forces of the Soviet Union and a number of potential adversaries, while at the same time fielding forces that can defeat other threats around the world.

In the 1990s and beyond, as in the present, concepts and doctrine must guide the Army's efforts to field combat-ready forces. For the near term, AirLand Battle doctrine, as discussed in Chapter IV, provides this foundation. Projecting ahead, the Army has launched the AirLand Battle-Future initiative which is designed to update all its warfighting concepts for the early 21st century. The Army also will continue to participate in the development of joint and combined doctrine and warfighting concepts.

Based on this doctrine, Army modernization will capitalize on U.S. advantages and strengths - particularly the qualities of its soldiers, leaders, and technology - and exploit vulnerabilities and weaknesses in potential adversaries. Future budgets will be constrained, so the Army must assign appropriate priorities and levels of effort to all aspects of modernization if it is to field a competitive force in the future. The Army believes it can make the best use of its resources by investing in its technology base in order to identify promising new technologies while avoiding mortgaging its future for useful but noncritical near-term capabilities. The Army may need to forgo some near- and mid-term modernization choices to protect these long-term modernization efforts. Therefore, the greatest challenge in this area lies in selecting those key technologies that will provide the greatest increase in warfighting capability for each dollar spent. In sum, high-technology research and development is, and will remain, a central feature of the Army's modernization strategy. The Army of the 1990s and beyond will reflect significant increases in battlefield effectiveness as a result of the application of advanced technologies.

The lethality of the Army of the future will be determined, above all else, by the actual combat readiness of the force. Training will continue to be the cornerstone of Army readiness. Combat Training Centers will remain the key to developing the maximum lethality of Army units. These centers not only hone combat skills, they also enable us to assess the validity of the Army's combat doctrine and to develop its officer and noncommissioned officer leaders. The Army will continue to provide tough, realistic training to the highest standards so that its soldiers, units, and leaders have the best possible chance of accomplishing their missions and minimizing casualties should they be committed to combat.

. . . and lethal.

The Imperatives

While the characteristics essential for the future force provided the Army the essential direction to guide some near-term programmatic decisions, the requirement to maintain a full range of capabilities as the Army reshaped itself necessitated difficult decisions and trade-offs in projecting resource allocations to support readiness, sustainment, modernization, and force structure. The Army leadership was guided in these decisions by adherence to six fundamental imperatives that have guided the development of today's Army, that were unambiguously validated during the Panama contingency operation, and that will continue to guide Army resource decisions in the future.

The first of these imperatives, and the most important, can be summed up in a single word - quality. It is this characteristic that enables the Army to fulfill its worldwide strategic roles in spite of its relatively small size. The high quality of the American soldier - a combination of intelligence, initiative, combat skill, tenacity, and physical toughness - has been a traditional source of victory in battle. The experiences of recent years have reaffirmed that quality produces the versatility needed to respond rapidly to unforeseen situations. The high quality of the Army's soldiers has been essential in many of its recent successes, ranging from protecting shipping in the Persian Gulf to assisting in the recovery from natural disasters, and from deploying rapidly to Panama for Operation Just Cause to interdicting the traffic in illicit drugs. These experiences have strengthened the conviction that recruiting and retaining talented men and women - the best the Nation has to offer - must continue to be the top priority in the Army of the future.

The rise in the quality of the Army's soldiers has been accompanied by a renaissance in its thinking about war. The second imperative focuses on sustaining the momentum in this area by maintaining a forward-looking warfighting doctrine. AirLand Battle, the Army's contemporary doctrine, provides the basic rationale for developing leaders, designing forces, determining materiel needs, and conducting training. This doctrine recognizes the need to integrate the capabilities of U.S. Army units with those of the other services and of its allies to achieve maximum combat power and effectiveness. It establishes the foundation for the Army's disciplined evolution to the future, ensuring the Army's preparedness for the battlefield challenges of the 1990s and beyond.

The quality of American soldiers has been a traditional source of victory in battle.

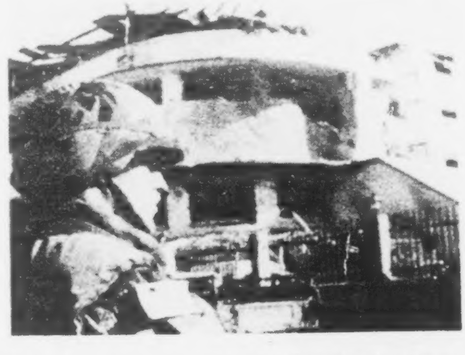
As the doctrine and the security environment have evolved, so too has the composition of Army forces. That evolution must continue. Thus, the third imperative is to maintain the appropriate mix of heavy, light, and special operations forces in the Active and Reserve Components. While the present force structure does not meet the current needs of all U.S. commands worldwide, the Army can meet the highest-priority U.S. strategic requirements. As the Army shapes the forces needed for the future, it takes into account the U.S. need for a sustained land combat capability worldwide, other land force roles, and ongoing East-West negotiations for reducing conventional forces in Europe.

In the conduct of tough, realistic training - the fourth imperative - the U.S. Army has set a standard for armies everywhere. The investment the Army has made in training over the past decade has produced the readiness for war that is the basis for credible deterrence and capable defense. The exercises conducted at the Combat Training Centers in California, Germany, and Arkansas, as well as recent operations around the world, stand as evidence of the Army's training achievements. Tough, meaningful, and fulfilling training is also a key element in encouraging the very best soldiers to stay in the ranks. Demanding training, accomplished to high standards, is one of the best investments today's Army can make in the Army of tomorrow.

Another dramatic improvement over the past decade has been modernization, particularly in the combat equipment of Army forces. The fifth imperative is to continue to modernize the Army's warfighting capability. The Abrams tank, the Bradley fighting vehicle, and the Apache helicopter are three examples of weapon systems fielded in the 1980s that have served this end. They, and other systems like them, are the products of a continuous process that reflects the Army's strategy, doctrine, technological advantages, and overarching commitment to providing its soldiers the best equipment possible. Because resources have always been limited, Army modernization plans ensure that units likely to be the first to fight - including selected Army Reserve and Army National Guard units - are modernized first. To develop needed future capabilities on time, the Army will continue to emphasize aggressive research and development in the key areas of operational concepts, unit designs, materiel, and training innovations.

In the final analysis, the capabilities of the Army depend not only on the quality of its soldiers, but also on the competence of its leaders. Thus, the sixth imperative is to continue development of Army leaders. There have been many recent initiatives in this area, to include enhancements in formal education and training, successive operational experiences, and continuous self-development opportunities. Leader development for soldiers and civilians is the most important and lasting contribution to shaping the Army of the future.

Past adherence to these imperatives has positioned today's trained and ready Army to address the challenges of tomorrow. The Army of the 1990s and beyond will continue to be an Army that is shaped by reliance on these proven imperatives.

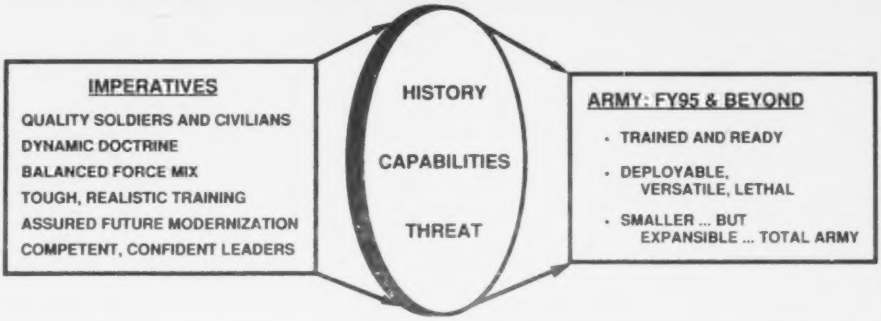


The six imperatives were validated in Operation Just Cause in Panama: An American soldier in front of the former headquarters of the Panamanian Defense Forces.

The six imperatives in careful combination with historical study, threat assessments, and a view toward the capabilities required in a versatile, deployable, and lethal force have led the Army to a vision of a mid-term structure. This vision of the future Army has guided the Army through the preparation of the FY91 budget and its mid-term programs. The FY91 budget represents the first step in a transition from a Cold War posture primarily oriented on the Soviet threat to a versatile posture for the 1990s and beyond with a more diverse threat orientation. This change in focus, coupled with recent and projected budget reductions, has forced the Army to make some extremely difficult decisions to best serve the immediate security needs of the Nation while preparing for a disparate and uncertain future. The FY91 budget should be viewed with the future in mind.

SHAPING THE FORCE

TRANSITION TO SMALLER, CAPABLE FORCE



IMPERATIVES

QUALITY SOLDIERS AND CIVILIANS
DYNAMIC DOCTRINE
BALANCED FORCE MIX
TOUGH, REALISTIC TRAINING
ASSURED FUTURE MODERNIZATION
COMPETENT, CONFIDENT LEADERS

HISTORY
CAPABILITIES
THREAT

ARMY: FY95 & BEYOND

- TRAINED AND READY
- DEPLOYABLE, VERSATILE, LETHAL
- SMALLER ... BUT EXPANSIBLE ... TOTAL ARMY

III. Quality

The key to a quality force is quality people.

The Importance of Quality

A quality force is essential for a trained and ready Army. While the key to this quality force is quality people, quality is an all encompassing characteristic that requires not only solid recruiting practices and acceptable levels of pay and benefits, but also realistic working and living conditions, challenging training opportunities, and the potential for advancement consistent with the private sector.

Maintaining the quality Army required to meet the strategic challenges the Nation will face while the Army reshapes itself is a paramount concern for the Army and the Nation. The Nation is reshaping a modern, professional, volunteer force of America's best young men and women. As the Army reshapes itself to a smaller, capable force it is determined to take care of its soldiers and civilians and to preserve the quality of its force.

To do this the Army must continue to fill the force through quality accessions and selective retention by applying today's high standards to sustain the quality gains achieved during the last decade. It must provide career opportunities and a steady flow of promotions. It must continue leader development through a blend of schooling and assignments, and it must maintain adequate quality of life programs for its soldiers, civilians, and their families.

The Army must also maintain a high state of readiness and guard against the undermanning of units as it shapes the force for the future. As the Army becomes a smaller force, it cannot focus exclusively on reduced accessions to reach projected force levels. It must be able to trim both the mid-career and the career force. While it may be necessary to conduct involuntary reductions of both the officer and noncommissioned officers (NCO) corps, these steps will be taken only as a last resort. Over 275,000 NCOs and 100,000 officers have dedicated their lives to service to the Nation. The Army will not dismiss them lightly and break faith.

Quality soldiers who can maximize the Army's combat capabilities will always be critical, both as the foundation of current strength and the source of future leadership. Soldiers with high school diplomas who score high on the Armed Services Vocational Aptitude Battery learn faster and generally perform better on the job. Additionally, they are more likely to complete their first enlistment. Quality people demonstrate the initiative, competence, and spirit necessary to create a dynamic, versatile force capable of meeting the difficult missions the Army faces. The recent operation in Panama amply demonstrated the requirement for quality. Recruiting and retaining quality soldiers and civilians will remain the Army's top priority.

Recruiting and Retention

The key to a quality force is the ability to recruit and then retain quality soldiers. This requires a mix of recruitment, force management, and retention programs that are properly resourced. Such programs must be targeted toward the current and future needs of the Army, both the Active Component (AC) and the Reserve Components (RC), which consist of the Army National Guard (ARNG) and the U.S. Army Reserve (USAR). To attract quality people, prospective applicants must perceive the Army as a viable career choice. Adequate pay, quality of life programs for soldiers and family members similar to those available in civilian communities, challenging training, and career-enhancing jobs are key attractors and must be continued. Once soldiers are recruited, their retention will be affected by the Army's ability to manage properly their careers. This necessitates a continuing review and adjustment of officer, warrant officer, NCO, and enlisted management programs to ensure that they meet the force structure and technological requirements of the future.

Initiatives pending in Congress to improve the management of active and reserve officers and warrant officers are discussed in Chapter VIII.

Recruiting Initiatives

The Army continued to recruit quality people in FY89. Ninety percent of the active Army non-prior-service accessions were high school graduates, with 63 percent scoring in the top three Armed Forces Qualification Test (AFQT) categories and only 7 percent in the lowest allowable AFQT category. These quality soldiers are motivated, intelligent, and persistent. The USAR and ARNG also emphasized the recruitment of quality soldiers.

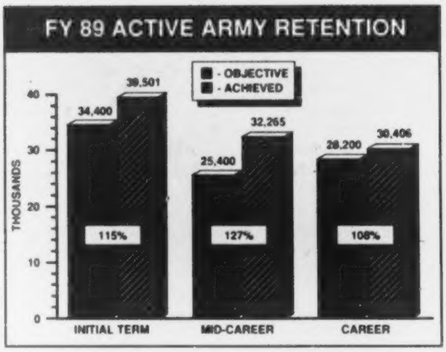
The Montgomery GI Bill continues to be a major recruiting incentive. Attesting to its attraction, more than 90 percent of eligible soldiers enrolled in the program in FY89. The Army has the highest enrollment rate of all the services.

Several additional initiatives have been developed to attract and retain these quality youths. Congress has approved a test of one of these, the Army College Fund (ACF) Plus test, which allows recruits who enlist for 2 years of active duty in non-combat-arms positions to participate in the ACF. In addition to the new soldier's active service, the soldier must also fulfill a 2-year obligation in a reserve unit. Because many reserve units need people with these skills, the program will not only expand recruitment of college-bound applicants but will also help reduce reserve recruiting and training costs. Early results of the ACF Plus test indicate that it may be a valuable tool for recruiters. It produced approximately 1,000 enlisted contracts, of which 25 percent were female, during the 4th Quarter FY89, the initial period in which it was available.

Active Component Retention and Reserve Component Transition

Manning the total AC and RC force through the early 1990s will become a greater challenge as the number of young people in the population continues to decline. One way to meet this challenge is by retaining the maximum number of quality first-term soldiers. Of equal importance is the transition into the USAR and ARNG of those quality soldiers who leave the active Army. To meet the quality needs of the RC, the Army seeks to transition 36 percent of the eligible population before they depart the active force.

To help generate higher reenlistments, the Army has developed a new single-source publication to educate commanders, unit leaders, and NCOs who manage the transition program. Additionally, the automated systems which coordinate reenlistment assignments and school requests against available vacancies have been upgraded, ensuring that transition NCOs can be more responsive to the desires of the soldier. The Army is moving to automate totally this process, thereby saving time, manpower, and dollars. An increased awareness of options through innovative advertising will also enhance the Army's ability to retain or transition the greatest number of highly qualified soldiers.



The Army was extremely successful at retaining first-rate soldiers in FY89, far surpassing its reenlistment goals, and seeks to continue that accomplishment into the future.

Current Concerns

In shaping the future force, the Army must address three major issues. First, the current Defense Officer Personnel Management Act does not provide the necessary tools to properly shape the officer force. The Army needs relief from some of the management constraints contained in this act (see Chapter VIII). Second, to maintain the ability to recruit quality individuals, the Army must continue to resource properly the recruiting effort by providing both adequate advertising funds and effective enlistment incentives. Lastly, the development of leaders is critical to the future of the Army. Of concern to potential officers is the extended active duty service obligation recently mandated by Congress for U.S. Military Academy graduates. In addition, the Military Academy should be permitted to grant advanced degrees to those who have successfully completed a rigorous academic program in leadership.

As the youth component of the total population remains at a relatively depressed level and the economy remains strong, Army recruiting will remain a difficult challenge despite the reduction in the total number of soldiers that must be recruited. The need for quality soldiers has not declined. The Army will need increases in 3- and 4-year ACF entitlements to keep pace with the increased costs of education and to improve the attractiveness of these options. This will be essential to recruit college-bound soldiers in the future. An increase in the enlistment bonus, to attract quality soldiers to difficult-to-fill specialties, will be even more critical as a result of the declining pool of quality youth.

Advertising must be resourced adequately to support recruiting in an increasingly difficult environment. Current funding must be increased. The cost of access to the media is rising at almost three times the general inflation rate. Advertising is an investment over time - FY90 advertising promotes contracts for FY90 and the FY91 Delayed Entry Program - and it must be steady and sustained. A Rand Corporation report released in January 1989 found that advertising has a direct and immediate impact on the number of high-quality enlistments. The Rand analysis also indicates that the Army's national and local advertising programs compare favorably with other recruiting tools, such as adding recruiters or cash bonuses, in terms of cost per high-quality enlistee.

Congress recently directed that all military service academies extend the active duty service obligation of their graduates to 6 years. This increase in service obligation could have an adverse impact, as quality students may be unwilling to commit themselves to a 10-year obligation, 4 as a cadet and 6 as an officer.

Similarly, there is a need to attract quality officers as role models and instructors for the Army's future officer corps. The U.S. Military Academy has for years provided career development opportunities for those assigned as cadre. One of these programs, called Leadership Development, has been a masters-level education program; however, because of current legislative language, graduates of the program have been unable to receive a master's degree for their efforts. This needs to be changed, as the program is a significant tool for attracting quality officers to serve at the Academy.

Individual Ready Reserve (IRR) Screening Program

The IRR Screening Program completed its annual statutory screening of more than 61,000 reservists during FY89, the third year of the program. Each month the U.S. Army Reserve Personnel Center orders IRR soldiers to schedule appointments at local recruiting stations, where recruiters collect updated personnel and physical health status information. The visit to the recruiting station raises IRR members' awareness of their military service obligation and of the training and membership opportunities available to them by joining USAR and ARNG troop program units. The screening program promotes troop program unit membership and, more importantly, facilitates the maintenance of accurate IRR records necessary for the effective, rapid call-up and mobilization of pretrained soldiers.

NCO Requirements

NCOs are the foundation of the Army's small-unit leadership.

The active Army continues to experience shortages of NCOs. Through its Enlisted Force Alignment Plan I (FAPI), the active Army reduced critical imbalances (shortages amounting to less than 80 percent of desired NCO fill and overages greater than 120 percent of fill) from 28,800 in FY84 and 6,100 in FY88 to a low of 4,000 in FY89. These reductions represented a 85 percent decrease since FY84 and a 36 percent decrease since FY88 in critical imbalances. The reductions greatly improved the readiness posture of the Army.

There was an aggregate shortage of about 5,600 NCOs in FY89, and the Army hoped to eliminate the shortage by the end of FY91. However, due to budget and force structure reductions, total NCO strength will fall to 276,000 in FY90 and 268,000 in FY91, producing projected shortages of 7,550 NCOs in FY90 and 8,836 in FY91. While careful management has somewhat ameliorated the effects of the current shortages, further unprogrammed budget cuts will have an immediate negative impact on readiness by removing an important segment of small-unit leadership. The Army remains committed to having NCO strength equal NCO demand in the FY92 to FY95 period.

RC Medical

The Army relies heavily on the RC for its medical combat service support. The RC will provide 67 percent of the physicians, 86 percent of the nurses, and 68 percent of the enlisted medical soldiers necessary for mobilization.

The Army has made significant improvement in medical personnel readiness through a variety of programs targeting certain wartime combat skills:

- The Health Professional Loan Repayment Program provides repayment of student loans for physicians and nurses with critical specialties in return for service in the Selected Reserves. There are 290 officers participating in the program.

- The New Specialized Training Assistance Program (New STRAP) provides a monthly stipend for reserve soldiers training in critical skills in return for a commitment to the Selected Reserves or IRR. There are 127 Army Nurse Corps officers and 442 Medical Corps officers participating in the New STRAP program.

- The National Army Medical Department Augmentation Detachment (NAAD) offers flexible training for physicians and nurses in critical specialties who are unable to train on a regular basis with a USAR medical unit because of geographic or time constraints. There are a total of 330 physicians and 450 nurses assigned to the NAAD.

- The Specialized Training for Army Readiness (STAR) program allows soldiers in drilling reserve status to acquire advanced individual training in selected medical technician specialties by attending civilian educational institutions at government expense. Qualified soldiers receive tuition, books, and fees for training (up to a $6,000 maximum per year) as long as they meet school requirements and are satisfactory participants in troop units. In FY89, 60 soldiers enlisted in the STAR program. Funds are available for 400 soldiers in FY90.

Full-Time Support (FTS) Program

RC readiness is dependent to a great degree on the strength of the FTS program. It provides a cadre of full-time soldiers and Army civilians to organize, administer, recruit, retain, instruct, and train the part-time force. The ability of the RC to meet mission-essential requirements is directly related to the professional competence of the FTS force. This cadre of professionals is composed of four categories: AC soldiers who bring experience and expertise to support force modernization; Active Guard and Reserve soldiers who perform administrative, recruiting, training, and logistical tasks on a full-time basis; military technicians who are required by law to be members of the Selected Reserves and provide administrative, maintenance, training, and logistical support in reserve organizations; and civilians who provide administrative and clerical support.

The civilians and soldiers in the full-time support program perform support functions essential to RC readiness.

Women in the Army

Opportunity for women in today's Army is particularly rich, allowing a wide variety of assignments. AC female strength totals 12,200 officers and 73,800 enlisted soldiers, or 11.2 percent of the active force. There are 9,700 officers and 47,700 enlisted women (19.8 percent) in the USAR and 3,500 officers and 26,500 enlisted women (6.2 percent) in the ARNG. Women total over 173,900 soldiers (including cadets), representing over 11 percent of the Total Army's population, serving in demanding and challenging positions around the globe.

Army policy is that women will be provided full and equal opportunity to pursue careers and will be assigned in all skills and positions except those closed under the Army's Direct Combat Probability Coding System. Presently 86 percent of the enlisted military occupational specialties, 91 percent of the warrant officer specialties, and 96 percent of the commissioned officer specialties are open to women.

The Army provides full career opportunities for women.

The Civilian Work Force

The quality of the civilian work force is as vital to the Army as the quality and readiness of its military force. The Army depends heavily on its civilians to provide the continuity and expertise so vital in today's highly technical environment. It has become critically important to provide them with an effective personnel system that supports personal growth and advancement, simplifies recruitment, and gives pay comparable to that of non-government workers. Recent congressionally directed changes to the management of nonappropriated fund programs have caused the Army to seek authority to allow civilian employees to retain their entitlements and benefits when moving between the appropriated and nonappropriated personnel systems; this will facilitate movement between the systems. Comprehensive training programs are also needed to ensure the continued technical expertise of the work force and to develop civilian leaders.

Civilian Personnel Plans

As the Army moves into the 1990s, it must be prepared for demographic changes and competitive labor market conditions that will make it increasingly difficult to attract and retain a high-quality civilian force.

Forecasts in a government study entitled "Work Force 2000" indicate that during the next decade the Army will confront increasing shortages of fully trained personnel in the Nation's labor supply. Consequently, more in-service education and training will be required to prepare new work force entrants. This heavy investment will place an even greater premium on the retention of high-quality employees, who will be in great demand by private sector competitors.

As with the military, there are several factors that are instrumental in the retention of high-quality civilians. Among them are opportunities for personal growth and professional development, effective leadership, competitive pay and benefits, and recognition for a job well done. The Army's wide-ranging Civilian Personnel Modernization Project addresses these and other factors crucial to retention.

A vital part of the Army's modernization initiative is the continued strengthening of its well-established intern program. The intern program responds to the challenges of today and "Work Force 2000" by attracting high-quality potential employees at entry levels and developing them to fill future key top-level positions. About 3,000 centrally funded interns are engaged in training programs lasting from 18 to 36 months in 26 different career fields. These interns receive a blend of formal and on-the-job functional and leadership training that is needed as the foundation for a successful career.

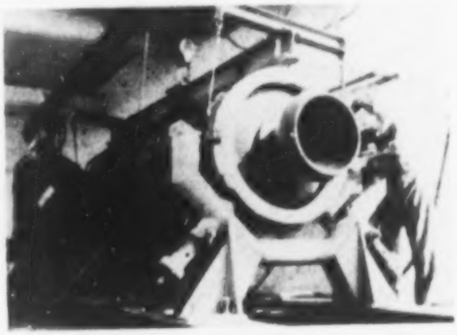
Erosion of civilian pay over the last several years has made it increasingly difficult to attract and retain high-quality employees in many occupational and geographic locations. Tangible evidence of this is the number of Army employees covered by special salary rates - now approaching 30,000 and growing. To address this problem, the Army is working closely with the Office, Secretary of Defense, and the Office of Personnel Management to obtain the legislative changes required to make the civilian pay system more sensitive to widely varying local market conditions.

The leadership responsibility for Army civilians is shared by both military and civilian leaders. Efforts are under way on both fronts to better prepare managers for this role. The civilian side is covered under the Army Civilian Training, Education, and Development System through the leader training provided by the Center for Army Leadership at Fort Leavenworth, Kansas. On the military side, the Training and Doctrine Command is working to place appropriate modules of civilian personnel management training in military schools.

To aid managers in their leadership responsibilities, two new awards were designed for recognizing civilian service and achievement. The Superior Civilian Service Award and the Achievement Medal for Civilian Service parallel awards used to recognize military members. The Army has given approval authority to commanders to grant these awards worldwide. Effective use of these and other civilian awards will greatly assist leaders in motivating and retaining high-quality employees.

Alternative Civilian Personnel Management System

The ability to attract and retain the General Schedule/General Merit (GS/GM) civilian work force is increasingly difficult without a flexible alternative to the current civilian personnel management system. Key features being sought as an alternative include more agency-level hiring authority, simplified job classification and performance appraisal systems, enhanced supervisory authority to set employee pay based on performance, streamlined promotion procedures, and a lengthened probationary period. In addition, enactment of legislation for a locality-based GS pay system that is market sensitive is needed. Such a system would be cost effective and support overall recruitment and retention needs. The government worker pay lag behind the private sector has steadily increased since 1977. It is now estimated at 28 percent.



Civilians provide crucial technical expertise to the Army. These technicians are preparing a Pershing missile for destruction in compliance with the INF Treaty.

The Army has proposed several demonstration projects to determine the impact of these proposals on the management of the civilian work force and on recruitment and retention. The results of these projects will help to establish the benefits of these improvements.

Managing the Civilian Work Force to Budget (MCB)

This initiative provides commanders and supervisors significant flexibility in managing the civilian work force. It delegates authority for position classification and management of a civilian personnel budget to the lowest practical level of supervision. A single dollar limit for civilian personnel costs replaces the previous administrative controls on employment levels, high grade positions, and overtime. Under MCB, commanders and local supervisors can structure their civilian work force to meet mission requirements with only minimum administrative constraints. MCB was tested for 2 years at 15 installations and activities. Based upon the test results, MCB has been expanded to 46 additional sites for FY90 and has been approved for implementation throughout the Continental United States (CONUS) beginning October 1, 1990.

Integration of the Civilian Work Force in the Army Personnel Proponent System

Integration of civilians into the Army Personnel Proponent System is a recommendation of the Civilian Personnel Modernization Project. The system assures every civilian occupation a proponent for professional development and personnel management. The proponent provides support and structure to civilian career paths from entry to retirement. Used successfully by the military since 1981, extension of the system to include the civilian work force will assure economy of operations in functions common to military and civilians and will provide consistency in professional development where military and civilians serve in like occupations. The program for civilians is currently being piloted by 14 proponents representing 29 groups of related occupations, known as career fields. The pilot program will last through September 1990. An evaluation of civilian integration will take place from October to December 1990, with Army-wide implementation scheduled to begin in January 1991.

Quality of Life

Quality of life is a readiness issue. It is directly related to soldiers' and civilians' efficiency on the job and to the likelihood that they will remain in the Army. The term "quality of life" encompasses the full range of programs, facilities, and services that affect the living and working conditions of soldiers, civilians, retirees, and their families. Satisfaction with these conditions is essential to maintain the morale and improve the productivity of soldiers and civilians.

Army Communities of Excellence (ACOE)

Army communities are vital forces shaping individual performance. Army communities garrison its soldiers, house its families, support its training, and furnish the services essential to all its activities. Community excellence engenders pride, and pride is the fuel of human accomplishment.

Army communities are inextricably linked to the morale, welfare, and sense of well-being of soldiers and their families. Soldiers who are convinced that their leaders care about them and their families can get on with the mission. A committed, caring community inspires soldiers and their families to feel better about themselves, the community, and the Army. Thus, Army communities have a vital role in retention and improved combat readiness.

The ACOE program is focused on the total Army community. It is an umbrella program that combines overall planning of community facilities and services to achieve the mission of taking care of people. ACOE stresses self-help projects, such as painting and decorating, and the exchange of ideas for making improvements in the community. The ACOE program is not competing with other programs; ACOE complements and adds luster to other activities.

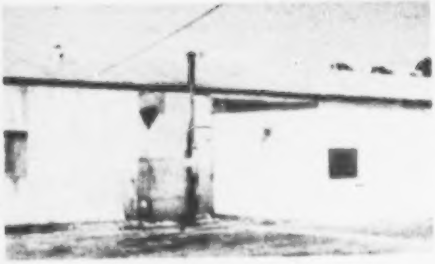
During the past few years, many of the Army's installations have made tremendous improvements in facilities and services. Under ACOE, all installations are committed to enhancing living and working conditions and to building community pride. Many low cost projects result in immediate, positive, and dramatic change. Attitudes and outlooks improve.

Army Communities of Excellence are truly places where soldiers, families, and employees "can be all they can be." ACOE looks to innovation and creativity that unleashes the entrepreneurial genius of the Army's people and makes its communities better. ACOE results in improved quality of life, improved recruiting and retention, increased productivity and performance, and increased combat readiness of the Army.

Facilities

Excellent installations and facilities are inextricably linked to Army goals, missions, and values. Army facilities support manning, training, sustainment, equipping, mobilization, deployment, and warfighting; provide quality environments that inspire pride; and support efforts to attract, motivate, and retain quality people.

The Army's facilities strategy commits resources to maximize the use of existing facilities, to



Funding to replace outdated facilities, like this motor pool, is necessary for the Army to maintain its facilities base.

meet regulatory and environmental guidance, to maintain and revitalize existing facilities, and to contain backlogs of maintenance and repair. It incorporates the ACOE program, prudent stewardship, innovative business practices, and balanced investment. Successful execution of this strategy requires the Army to fund annual requirements fully, to include support to newly constructed facilities, and to invest at a stable level in revitalization of existing facilities. Facilities for essential force structure, modernization, and stationing initiatives must receive the same consideration as other Army high priority new mission needs.

The fundamental objective of the Army Family Housing program is to provide suitable housing for all families eligible for this entitlement. Sources of suitable housing include private rentals and sales, third party investments, and government new construction. Successful execution of this program requires a substantial effort to revitalize the existing inventory of government-owned units.

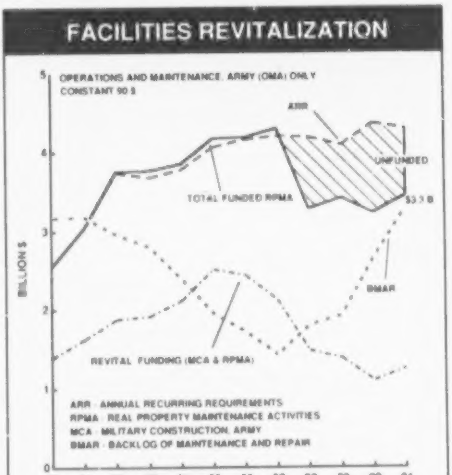
Recent reductions in funding for new construction have focused the Army's attention on the revitalization of existing facilities. Revitalization is defined as the replacement or renovation of Army real property in order to modernize facilities to current functional and physical standards. Inherent in this strategy is the need to fund annual recurring requirements for operation, maintenance, and repair of all Army facilities, including family housing. As funding approaches the costs of recurring requirements, the Army can contain the growth in maintenance and repair backlogs. The Army is focusing on measures that will contain the growth in future facilities requirements, including necessary base closures and realignments.

The Army's reliance on leasing land and facilities to maintain readiness also continues to escalate as construction funding declines. The Army currently pays approximately $120 million annually for space leased for use by the Army. Leases include administrative, storage, recruiting, parking, maintenance, and other types of special purpose space for the AC and RC.

In addition, the Army is leasing 3,000 units of housing in CONUS under the Section 801 Program and has authority to lease an additional 4,500 units. Besides helping to reduce the overall housing deficit, the 801 Program, or Army Community Housing, played a major role in enabling the Army to quickly station the 10th Mountain Division at Fort Drum, New York.

The Army also has authority to enter into leases or contracts with the private sector to provide facilities for housing unaccompanied soldiers, for child care, and for other services. This authority, however, does not compensate fully for the reduction in the Army's ability to maintain, repair, and upgrade facilities through discretionary operations and maintenance spending.

Given the current outlook for continued tight budgetary constraints, the Army must use every opportunity to stretch available resources and provide excellent facilities and engineer support. As force structure is cut, the Army must reduce the supporting facilities base by closing installations and facilities if the Army is to retain excellence. Only those facilities needed to support current missions or mobilization will be used and maintained. Old facilities that are not required should be disposed of, and operations should be consolidated in the best, most efficient facilities. The following chart shows how the Army brought the backlog of maintenance and repair (BMAR) down in the 1981 to 1987 time period. Similar success was achieved with Army family housing, Army industrial and research facilities, and RC facilities. However, since that period, funding levels have decreased, causing a gap between requirements and total funding in both real property maintenance activities (RPMA) and Army family housing.



Shortfalls in funding for annual recurring requirements and for revitalization of facilities have caused an increase in the backlog of maintenance and repair.

In summary, valuable facilities assets are eroding rapidly. As the Army reduces force structure, it must take proper care of a smaller, but critically important, facilities base. The risk is to the vitality of the Army - its productivity and morale, recruitment and retention, and warfighting readiness.

Medical and Dental Care

A major Army goal is to improve access to health care within the Army's system. The Army places strong emphasis on expanding direct care to reduce reliance on the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). It now costs at least 50 percent more to provide services under CHAMPUS than in an Army medical facility. Army medical facility services include 60,386 outpatient visits and 1,104 inpatient admissions during an average day worldwide. Army medical facilities also serve 5,523 inpatients, deliver 107 infants, and perform 72,055 dental procedures daily.

The Army seeks to provide as much health care as possible within the Army health care system to avoid the costs of CHAMPUS.

Ten Army Primary Care of the Uniformed Services (PRIMUS) clinics are operational in North Carolina, Georgia, Virginia, Texas, and California. They provide outpatient care for minor illnesses and injuries exclusive of the CHAMPUS program. The clinics, which are located off-post near large concentrations of active duty families, operate every day, providing services for more than 1,703 patients daily.

Several new and ongoing Army initiatives are increasing access to services at lower costs. One test gives military hospital commanders control over both CHAMPUS funds and the direct care medical operating budgets. The Army Medical Enhancement Program continues to increase the availability of services by improving direct care staffing in family practice, obstetrics-gynecology, and other areas. The Alternate Use of CHAMPUS Funds Test permits commanders to use CHAMPUS dollars to finance unique direct care initiatives at substantial cost savings. A mental health project at Fort Bragg, North Carolina, is testing the cost effectiveness of a community-based system of services for children and adolescents. Under a European After-Hours Test Project, active duty family members obtain acute care outpatient services from local German medical facilities.

Reducing occupational-related diseases and injuries remains a priority goal. A worldwide back injury prevention program for soldiers and civilians will reduce the loss of training time, compensation claims, costs, and lost productivity. The fielding of 25 military occupational health vehicles will take preventive medicine services to the soldier and reduce time away from training.

Providing dental care is one of the overall Army goals for promoting a healthy work force. The Family Member Dental Insurance Plan helps meet this requirement by providing dental services to approximately 148,000 Army families in the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Family Support and Child Care

Child development services provide center-based and home-based child care to reduce the impact of parental responsibilities on unit mission requirements. In FY89, more than 147,000 children benefited from this service, yet demand still exceeds capacity. Affordable, quality

THE ACTIVE ARMY FAMILY

MARRIED	**56%** **(OF TOTAL FORCE)**
SOLE PARENTS	**37,604**
DUAL MILITARY MEMBERS	**39,728**
WORKING SPOUSES	**44%** **(OF ALL SPOUSES)**
CHILDREN **74% AGE 11 AND UNDER**	**600,000**

FAMILY MEMBER LOCATION
OUTSIDE CONUS: 32%
CONUS: 68%

AS OF: MARCH 89

Child development centers are an important part of the Army's family support program.

care remains a paramount concern, and the Army continues construction of child development centers to meet these demands. The Family Child Care Program, which certifies and monitors homes and caregivers for home-based child care, also continues to expand, with over 8,500 homes registered in FY89. Recent congressional initiatives that provide for enhanced training, better wages, and increased appropriated funds have been helpful in improving the Army's child development program.

Youth Services provide a comprehensive system of recreational programs at 183 Army installations to support the psychological, emotional, physiological, and social growth needs of 348,000 eligible youth, grades 1 to 12. Youth Services leisure and recreation programs and fitness and sports programs promote the development of skills, with an emphasis on fun and the fundamentals of sports. The Youth Services Youth Development Program promotes activities that emphasize social responsibility, community involvement, physical challenge, and intellectual stimulation. These programs are critical in today's environment to divert the youth population from the pressures of drug use.

Sports activities for youth are provided through the Army's Youth Services' Program

Morale, Welfare, and Recreation (MWR)

MWR encompasses programs and activities provided to soldiers and their families to create an Army community similar to those other Americans enjoy. Funding support varies according to each program's impact on readiness, with mission sustaining activities primarily supported by appropriated funds and business activities operating with nonappropriated funds (NAF) generated by sales to soldiers and their families.

Funds generated in MWR retail and resale activities, such as Army clubs and bowling centers, are used for facilities construction (approximately $1 billion in NAF construction will be completed by FY92), building maintenance and repair, and major equipment purchases. In addition, NAF are used to support operational costs for mission sustaining and basic community support activities, such as physical fitness centers, libraries, and child development services, when appropriated funds are insufficient. The Army is working to fully fund these programs with appropriated funds so that NAF dollars can be used to revitalize MWR facilities and support other MWR requirements, such as services at remote sites.

Business activities throughout the Army are being oriented to ensure they meet the needs of today's soldier and operate with minimal appropriated fund support. Initiatives to improve MWR management include the development of MWR marketing and management information systems.

Religious Support

Religious support to the soldier is integral to readiness because it fosters the energy and confidence that arise in soldiers who are sustained by the soul. The majority of chaplains and chaplain assistants in the Army are assigned to combat, combat support, combat service support, and combat medical units where training with soldiers and religious support to the soldiers go hand-in-hand in an increasingly pluralistic religious environment. The chaplaincy focus remains to provide for the free exercise of religion for all soldiers and family members.

The garrison chaplaincy undergirds and sustains the fighting forces through chaplain training that sharpens and expands military and ministerial skills. Soldier and family member programs in religious education, family life wellness and pastoral care, and religious community building assure the soldier that in the event of mobilization family members remaining behind will be supported by a chapel community.

Post Exchange Program

The Army and Air Force Exchange Service (AAFES) is a highly visible component of the quality of life services available to the Army soldiers and their families. AAFES provides merchandise and services to active duty and retired Army and Air Force members and their families at an average savings of over 20 percent. AAFES earnings are used to improve MWR facilities and programs for both families and single soldiers. A significant portion (40 percent in FY89) of AAFES payments to Army MWR is paid directly to installation MWR funds with the rest going into a general Army MWR fund.

AAFES has anticipated the fiscal realities of the 1990s and started actions to minimize the impact of installation closures, a smaller customer base, and reduced appropriated fund support. Customers will continue to receive the best value possible, and Army MWR will continue to receive the highest possible returns for its programs. AAFES is restructuring CONUS region operations and reducing costs through actions planned for FY90 and FY91. Other efficiencies will be realized from the realignment of the distribution network and implementation of technological advancements in communications and data processing.

The Commissary Program

Army commissaries play a key role in maintaining the morale of the Army family. Surveys show that soldiers and families consider commissaries to be a promised condition of employment and the most valued benefit next to medical care. Commissaries save patrons an average of 25 percent over commercial supermarkets.

Soldiers and their families cite the commissary as the most valued benefit with the exception of health care.

The Army is making a concerted effort to upgrade or replace commissaries with surcharge funds paid by commissary patrons. In FY89, the Army completed six new commissaries at a cost of $49.3 million and one warehouse addition for $1.2 million. As of January 1, 1990, there were 12 replacement and major renovation projects in progress with an estimated cost of $89.7 million. Two commissaries overseas and one commissary in the United States will be replaced in FY90.

Improvements are also being made in commissary operations. Price scanning at the checkout counter is available in 95 percent of Army commissaries. The District Oriented Store System, which automates ordering, receiving, and accounting and inventory management at the commissary, is currently in use in some commissary districts. Commissary Central Distribution Centers, which will improve commodity distribution, are in the final planning stage.

Army Field Feeding System (AFFS)

The AFFS standard is two hot meals, primarily tray rations (precooked meals), and one Meal, Ready to Eat (meals requiring no preparation) per day. Full implementation of AFFS with the required equipment and rations enables the Army to reduce food service personnel. The Mobile Kitchen Trailer (MKT) is capable of preparing both tray and A-rations (freshly cooked meals). Funding is sufficient to field the MKT to divisions, separate brigades, and armored cavalry regiments. Initial funding for echelons above division (EAD) has been reprogrammed for FY90/91. Additional funding is still required to complete equipping EAD, ARNG, and USAR units with MKT.

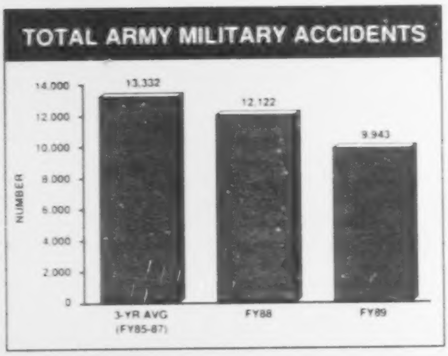
Better Opportunities for Single Soldiers (BOSS)

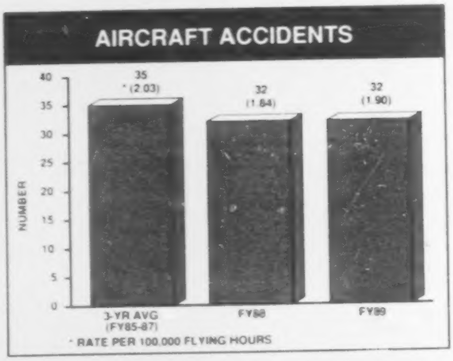
The Army has recognized the need for recreation programs for the single soldier between the ages of 18 and 25. To satisfy this need, the BOSS program was conceived to help span the gap between the 18- to 25-year-old group and MWR providers. The program has been extremely successful.

Army Safety Program

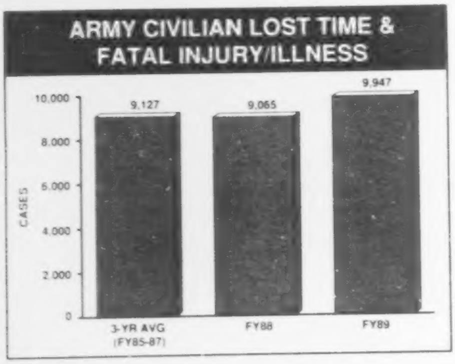
The Army safety program supports the Army objectives of statutory compliance, realistic training, and the enhancement of readiness through the preservation of resources. In recent years, the Army has succeeded in training the commander to assess and manage risks, in integrating this risk assessment process into the development of standards, and in raising the level of awareness within the Army that safety is both a readiness and a warfighting issue.

Despite the increasing complexity of Army weapons and equipment, there has been an encouraging decline in overall accident trends and fatalities.


TOTAL ARMY MILITARY ACCIDENTS


AIRCRAFT ACCIDENTS

* RATE PER 100,000 FLYING HOURS


ARMY CIVILIAN LOST TIME & FATAL INJURY/ILLNESS

Nevertheless, aircraft accident costs and civilian injury costs are up, requiring renewed command emphasis to reverse this trend.

Formal training in risk management has been expanded throughout CONUS and in every overseas command for officers and senior NCOs down to company level. Risk management training recognizes the inherently dangerous environment in which the Army operates, the professional soldier's imperative to take risks, and the necessity to manage those risks that are either necessary or unavoidable in training and combat.

The strategy of integrating the risk management process into standards ensures that when soldiers work and train to standards, they work and train to standards that are both safe and realistic. To make this integration serve the training environment, safety professionals deploy with units on field training exercises, monitor high hazard operations, and investigate accidents to determine if standards were being followed or, indeed, if the standards themselves contributed to the accident.

Safety is not just a peacetime concern. In forward-deployed corps and divisions an increasing number of civilian safety positions are being classified as "emergency essential" to ensure that professional safety support continues into hostilities.

Human Resources

Army programs in the human resources arena are aimed at manpower conservation and preventing adverse impact on unit readiness. The policies on alcohol and drug abuse and Human Immuno-deficiency Virus were developed to protect the health and welfare of soldiers while ensuring combat readiness. The Army's success in the continuing fight against all forms of drug abuse is notable considering the extent and pervasiveness of the problem in American society today. The Army Alcohol and Drug Abuse Prevention and Control Program is a multifaceted effort encompassing education, identification, and treatment. With this type of global approach, positive rates on drug tests are at historical lows.

Alcohol and Drug Abuse Prevention and Control Program

Drug testing and the deglamorization of alcohol are the major deterrents to alcohol and drug abuse. Worldwide surveys indicate that the consumption of alcohol and the use of illegal drugs is declining in the Army. The Army's program seeks to combat drug and alcohol abuse through prevention, identification, education, and rehabilitation of substance abusers. The Army has been particularly successful in combating drug abuse. These successes are due to the direct involvement of all levels of the Army's leadership, well-designed programs, and adequate funding. All levels of the chain of command take prompt action in identifying personnel, regardless of rank or grade, if alcohol or other drug abuse is suspected. Soldiers identified as alcohol and drug abusers who, in the opinion of their commanders, warrant retention are afforded the opportunity for rehabilitation; others are discharged. The Army's FY91/92 program will follow through with FY90 initiatives that include the President's Drug Free Workplace Plan and expanded random drug testing for the ARNG and the USAR.

Human Immuno-deficiency Virus (HIV) Policy

Army policy prohibits individuals infected with HIV from enlisting or being appointed into military service. HIV-infected soldiers on active duty who are determined fit are returned to duty; if unfit, they are medically separated or retired. RC soldiers who are diagnosed as HIV-infected are given the option of proving their fitness for duty and, if successful, may then continue in a nondeployable position in the Selected Reserves if a position commensurate with their grade and military occupational specialty (MOS) is available. Units conduct training for all soldiers concerning HIV infection and ways to prevent transmission. AC and RC members are tested at least every other year.

Environmental Ethic

The Army is committed to sustaining a healthy environment and to integrating this commitment into its way of doing business. Army actions must meet the needs of the present without compromising the ability of future generations to meet their own needs. This ethic includes but goes beyond achieving and maintaining compliance with all environmental laws.

Compliance with environmental laws and regulations is a high priority for the Army. The Army will meet its environmental compliance responsibilities in land and facilities management, operations and training, and industrial practices.

Beyond compliance, the Army must account for environmental costs in an economic sense. If activities are not environmentally sustainable, they are not economically sustainable either. The Army will establish requirements for anticipating and balancing the full impact of economic, technical, social, and environmental consequences. The Nation's economic security rests on a healthy natural resource base, and the Army recognizes its obligation to act as the steward of the natural resources within its control. Concern for the environment will be reflected in all Army activities.

The Army is making excellent progress in cleaning up contamination from past disposal activities. Over $650 million has been spent from the Defense Environmental Restoration Account through FY89 on investigations and interim remedial actions. The Army is also the executive agent for cleaning up formerly used defense sites which were once owned by the military services. Over 7,000 sites have been identified thus far for investigation and cleanup, if appropriate. Through FY89, $200 million has been expended on this program. It is estimated that the Army's final bill for cleanup of past contamination will approach $10 billion and will not be completed until at least the year 2000.

Equal Opportunity

The Army continues to embed equal opportunity within its leader development framework. Fairness, justice, and equality for soldiers and civilians, regardless of race, color, ethnicity, gender, or religion, are functions of leadership and the responsibility of commanders. A critical factor in maintaining a high level of readiness is ensuring that all individuals have an equal opportunity to excel, based solely on merit, capability, and potential.

Minority and female representation in the officer corps is the highest it has ever been, and soldier opinion surveys indicate that the positive attitude toward equal opportunity continues to increase. Equally significant is the fact that the number of incidents of sexual harassment continues to decline. Army leaders and commanders are committed to eliminating sexual harassment and sex discrimination.

The Army is committed to a program of equal employment opportunity for its civilian employees as well as applicants who aspire to become employees. Commanders and managers are involved in affirmative employment actions to achieve a work force that is representative of the Nation. Excellent progress has been made in bringing targeted groups into the Army civilian work force. The Army has an affirmative action policy specifically for GS/GM-15 and Senior Executive Service positions to address the fact that the representation of minorities and women in these positions has not increased over the last decade. This policy makes supervisors and managers aware of their responsibilities for affirmative action and employee development. The Army will remain in the forefront of providing employment opportunities to all segments of the Nation's diverse population and, at the same time, ensuring each individual is treated with basic human dignity.

Maintaining Quality Soldiers and Civilians

The Army, through its Soldier Oriented Research and Development (SORD) Program, is conducting research on military and civilian recruitment, retention, leadership, training, quality of life, and the integration of soldiers and equipment (MANPRINT).

SORD must integrate personnel requirements, training needs, equipment development, and future battlefield scenarios. SORD products help predict outcomes and give prescriptions for the Army's personnel programs and policies for recruiting, maintaining, and training a quality force.

The SORD program is vital to sustaining the present high-quality of soldiers and civilians in the Total Army. Research funds must be protected and applied to ensure that the Army makes the right choices to maintain the quality of its personnel in the future.

IV. Doctrine

Doctrine guides the development and employment of Army forces.

The Role of Doctrine

Doctrine - a set of fundamental, well-understood principles - provides the basis for the Army's training and education programs, force structure and design initiatives, modernization, and materiel development and acquisition. It is the foundation for all the elements that contribute to the Army's ability to carry out its strategic roles. The doctrine must be forward-looking to respond to threats in a changing world and consistent with available technology and resources.

AirLand Battle Doctrine

AirLand Battle provides an accepted set of principles that describes the nature, theory, and practice of war. AirLand Battle specifically recognizes the absolute necessity for joint operations (those involving two or more services) in modern warfare. It explicitly recognizes the key role of Air Force support to Army forces in ground campaigns. Adapted to U.S. and alliance policies and strategy and to the nature of specific regions and battlefields to which Army forces may be committed, AirLand Battle principles form the basis for planning and conducting campaigns, major operations, battles, and engagements in conjunction with other services and allied forces. While AirLand Battle focuses primarily on mid to high intensity warfare, the tenets of the doctrine - initiative, depth, agility, and synchronization - apply in all theaters and to all military operations.

The essence of AirLand Battle is simultaneous operations over the full breadth and depth of the battlefield. Commanders at all levels must simultaneously fight close operations to destroy enemy forces at the point of contact; deep operations to destroy, delay, and disrupt enemy follow-on forces so as to create opportunities for success in close operations; and rear operations to retain freedom of action through sustainment of committed forces and movement of reserve forces.

As the Army's capstone warfighting doctrine, AirLand Battle also serves as the foundation for developing subordinate doctrine, force design, materiel acquisition, individual and unit training, and leader development. Army forces only achieve their full potential with sound doctrine combined with modern equipment and well-trained, motivated, high-quality soldiers and leaders.

Joint Doctrine

Most operations in modern warfare require the effective coordination of the actions of two or more of the services, that is, joint operations. The Army, in coordination with the other services and combatant commands, continues to develop joint doctrine to ensure the best integration of all services' capabilities. Much progress has been made in this area during the past year. The Joint Staff has produced a master plan for the development of all joint doctrinal publications and has developed detailed procedures to ensure that all participants' input is considered.

The Army has been charged with the development of joint doctrine in several areas, including the JCS manuals Joint Operations and Joint Operations in Low Intensity Conflict.

Currently, seven approved test publications are being evaluated prior to final publication. An additional 19 publications will be developed during FY90. The end product will be a growing body of common doctrinal language, rules, and procedures that will allow the full integration of the Nation's armed services in the conduct of future joint military operations.

Doctrine for combined operations prepares the Army to operate with forces from allied nations, such as these Federal Republic of Germany soldiers in formation with American soldiers after an exercise.

Combined Operations

Because the United States has an alliance-based defense strategy, improved interoperability and standardization between the United States and its allies are essential to maintaining an effective deterrent posture. The Army must be prepared to conduct combined operations (operations that involve forces from two or more countries). Efforts are on-going with NATO countries and other key friendly nations to improve the Army's ability to operate in concert with their forces. Training in combined exercises also contributes to the development and refinement of common doctrine, tactics, procedures, and equipment. The aim is to improve combined warfighting capabilities by standardizing as wide a range of activities and equipment as possible.

Low Intensity Conflict (LIC)

LIC is a politico-military confrontation between contending states or groups, usually involving protracted struggles between competing principles or ideologies. LIC ranges from subversion to the use of armed force and is waged with all elements of national power - political, economic, informational, and military - with the military element often playing a predominantly supportive role. LIC is often localized, generally in the Third World, but normally contains regional and global security implications. The four broad categories of LIC - support of insurgencies/counterinsurgencies, combating terrorism, peacekeeping operations, and peacetime contingency operations - span the continuum from peacetime competition to war and can occur singly or simultaneously in a theater of operations. LIC is the security challenge most likely to confront the Army in the 1990s.

LIC is not new to the Army. Before the emergence of the United States as a world power, the Army performed most of the activities that today are included under the broad rubric of LIC. Insurgency and counterinsurgency, combating terrorism, pacification, nation building, rescue operations, foreign internal defense, security assistance, shows of force, peacekeeping, civic actions, and civil affairs have all formed a part of the Army's heritage.

The Army's doctrinal manual on LIC has been written in cooperation with the Air Force and presents the four categories of LIC. It also describes the five imperatives for successful conflict termination - political dominance, legitimacy, unity of effort, adaptability, and perseverance. When published, it will support joint doctrine, complement AirLand Battle doctrine, and provide guidance to Army commanders and staffs charged with LIC-related duties.

Special Operations

The Army provides the preponderance of Special Operations Forces (SOF) to the CINCs for execution of different contingencies around the world. Special operations include the range of activities performed by special forces, ranger, special operations aviation, civil affairs, and psychological operations units. The creation of the United States Special Operations Command in 1986 and the U.S. Army Special Operations Command as its Army component during FY90 will greatly increase the visibility and enhance the importance of special operations in general. SOF may be required to execute sensitive missions authorized by the National Command Authorities, but SOF are also integral to the operations of Army and joint forces in all situations. These include a role in nation building and support for U.S. country teams worldwide.

The Army is currently developing doctrine for employment of SOF. TRADOC is revising two manuals, Special Forces and Army Special Operations, and writing the initial manual for special operations aviation.

Force Protection (FP)

The worldwide terrorist threat against members of the armed forces and their families remains. With drug trafficking and related violence in Latin America and heightened tensions in the Philippines, the total threat has increased. The Army continues to rely on the worldwide security umbrella of FP. FP integrates combating terrorism, law enforcement, physical security, personnel protective services, crime prevention, and operations security programs with various other intelligence, counterintelligence, and security programs into one functional entity. Already fully implemented at Headquarters, Department of the Army (HQDA), this concept is now being adopted throughout the Army.

Over $300 million annually is devoted to all FP mission areas ($70 million alone for combating terrorism). New and enhanced access control systems, barriers, close circuit TVs with low-light surveillance cameras, alarms, sensors, secure commercial communications, intelligence and information management systems, as well as "hardened" emergency operations centers are but a few of the items funded. TRADOC currently conducts nine specialized FP courses at several locations. Installations throughout the Army have now started organizing, equipping, and training special reaction teams to respond rapidly to terrorist and criminal incidents occurring on military installations.

Security and Force-Protection Enhancement Resources (SAFER), an innovative technology-based security initiative, is progressing on schedule. Under SAFER, integrated, deployable, modular force protection packages consisting of sensors, cameras, alarms, and other security devices are installed to enhance security for combat support and combat service support elements deployed overseas for exercises as well as for both joint and combined operations.

Future Doctrine

The Army will adjust to the challenges of the future just as it has adapted to the challenges of the past and present. The AirLand Battle-Future Umbrella Concept is being developed to portray how the Army will conduct joint and combined operations from the tactical to the operational level, within a strategic context, to meet its worldwide commitments at a point in time 15 years hence. When fully developed as an "umbrella" concept - then validated via analysis - AirLand Battle-Future will provide insights with which to drive evolution of Army doctrine, training, organization, materiel, and leader development. However, at this stage in its development (Phase I of III), AirLand Battle-Future does not yet provide sufficient resolution for detailed planning and programming. Until this development is completed, AirLand Battle will continue to serve as both the Army's capstone doctrine and its umbrella concept.

In the future, the Army will be called upon to promote stability by assisting friendly governments in the developing world to build their nations. The focus of these efforts will be to help governments achieve sustainable economic development and meet the basic needs of their citizens. AirLand Battle-Future will also provide the basis for doctrine in this area. As doctrine is developed, support capabilities (medical and engineer) will be emphasized. Doctrine will also make clear that these efforts are assistance. U.S. activity will emphasize training and transfer of skills in nation building, rather than performance of these missions by U.S. forces.

Doctrine for the future must prepare the Army to conduct a range of operations in a variety of environments.

V. Force Structure

The Army must maintain the force size and mix needed to fulfill its roles in the national military strategy.

Overview

The Army shapes its forces to fulfill the U.S. need for a worldwide, sustained, land combat capability. Its structure is carefully tailored within manpower and fiscal constraints to optimize its warfighting capabilities against the multiple and varied threats of the international environment. It is composed of a combination of U.S.-based and forward-deployed heavy, light, and special operations forces distributed between the AC and the RC.

Determining the proportions of the AC and RC is a difficult process that is influenced by the present threat; warning time; the Army's ability to train, to modernize, and to mobilize; and the requirements for versatility and deployability. The RC currently accounts for 10 of the Army's combat divisions and "rounds out" 9 of the Army's 18 AC divisions with 7 brigades and 5 battalions. The majority of combat support and combat service support units are in the RC, as are more than half of the soldiers in the Total Army.

The Army, in conjunction with DOD, is evaluating the current policies and practices of its Total Force Policy in response to a provision of the FY90 Defense Authorization Act.

Heavy Forces

Heavy forces consist of armored and mechanized infantry divisions designed to fight and win against a mechanized enemy on a mid to high intensity battlefield. An armored division consists of six tank and four mechanized infantry battalions, while a mechanized infantry division has five tank and five mechanized infantry battalions. The Army has six armored and eight mechanized infantry divisions. Ten divisions are in the AC, while four divisions are in the RC. Four AC heavy divisions have RC roundout brigades.

Heavy forces are designed for high intensity combat.

Heavy divisions continue to modernize with the fielding of Bradley fighting vehicles, Abrams tanks, and Apache attack helicopters to both the AC and RC. Modernization in field artillery includes the fielding of the Multiple Launch Rocket System (MLRS) and the M109 Howitzer Improvement Program in divisions and corps. Command and control is being enhanced with the fielding of the Mobile Subscriber Equipment, which is the present state-of-the-art area communication system.

Sustainment capability is being significantly improved by redesign of the combat service support structure in the division to include a forward support battalion for each combat brigade and a main support battalion in the division rear area.

Light Forces

Light infantry divisions are configured for rapid deployment and provide a capable, versatile force immediately available to the National Command Authority. There are four light infantry divisions in the AC, two of which have roundout brigades from the RC. An additional light infantry division is in the RC.

Light forces provide rapidly deployable combat power.

Some units of the air assault and airborne divisions have been modernized and lightened to afford unique mission capabilities. These units have increased mobility and improved reconnaissance assets and can deploy in hours to any trouble spot worldwide.

In many situations, it is necessary to integrate heavy units with light units to achieve the required combat power. This was most recently demonstrated in the successful contingency operation in Panama - Operation Just Cause. Airborne and special operations forces deployed rapidly to Panama to conduct operations in conjunction with previously deployed heavy and light forces. These units formed a lethal and flexible force specifically tailored to the operational requirements.

The Army has a Heavy-Light Forces Integration Improvement Plan to maximize the opportunities for heavy and light forces to train together; identify and resolve problems; and relate the lessons learned to doctrine, training, organization, materiel, and leader development. Readiness will be improved by this process.

In conjunction with heavy forces, light forces afford an increase in flexibility to respond as an integrated strategic force. Differences in mobility and support structure require careful planning when heavy and light forces are employed together; however, the unique capabilities of each can combine to enhance the total force effectiveness.

Special Operations Forces (SOF)

Army SOF provide critical combat capabilities uniquely suited to the Nation's security requirements. Of approximately 25,000 Army SOF soldiers, 14,500 are in the RC. SOF consist of special forces (SF), ranger, special operations aircraft (SOA), psychological operations (PSYOP), and civil affairs (CA) units. These specialized units provide a range of military options.

SF train and assist foreign military and paramilitary forces in unconventional warfare, foreign internal defense, direct action, special reconnaissance, counterterrorism, and humanitarian assistance. They are capable of conducting integrated, joint, and combined operations in remote, urban, or rural environments during peace and war to promote national and regional stability. Army SF played a major role in the Panama contingency operation, conducting reconnaissance and surveillance of key sites throughout the country prior to the commencement of hostilities. SF will also have a major role in post-contingency operations, training the Panamanian Public Forces. The Army has four special forces groups in the AC, two in the USAR, and two in the ARNG.

Special operations forces have unique mission capabilities.

Rangers are highly skilled light infantry employed primarily for unique direct action operations. Rangers are targeted against time-sensitive objectives of critical significance. Rangers may conduct these operations independently, in support of conventional forces, or in support of other special operations forces. For example, during the Panama contingency operation, the rangers' high level of training and leadership was responsible for the successful rapid strategic deployment and subsequent airborne assault, seizure, and security of multiple objectives in preparation for follow-on conventional forces. The 75th Ranger Regiment consists of a regimental headquarters, headquarters company, and three ranger battalions. All ranger units are in the active force and number 1,854 soldiers.

Army SOA provide specialized aviation support to SOF. Specially trained crews and modified aircraft provide a unique capability to perform SOF missions at night and during adverse weather. Army SOA units played a major supporting role in the Panama contingency operation, inserting reconnaissance and surveillance teams, inserting teams to control vital communication nodes, and providing helicopter gunship and troop lift support to the SOF ground commander. The Army currently has 1,921 soldiers in 1 active SOA group headquarters, 3 active SOA battalions, 2 active separate SOA companies, 1 active SOA detachment, and 1 RC SOA battalion in the Oklahoma National Guard.

CA forces are highly skilled personnel and units trained to provide civil-military operations (CMO) support to governments and friendly armed forces under peacetime, contingency, and regional and global conflict conditions. CMO activities embrace the interaction between military forces and civilian authorities and population, and foster the development of favorable attitudes within the population. The employment of CA is particularly useful in low intensity conflict. Most CA units are in the USAR, with only one unit in the active force. Reserve Component CA personnel are making a major contribution in reestablishing a government structure in Panama, providing expertise in such diverse areas as public utilities, legal systems, health, and finance. There are more than 4,821 soldiers in 36 CA units stationed in 22 states.

PSYOP forces are organized, trained, and equipped to support friendly forces at strategic, operational, and tactical levels. Using audio-visual, print, and telecommunications capabilities, PSYOP forces seek to influence the target audience in accordance with the commander's objectives. PSYOP is particularly critical to success in low intensity conflict. For example, PSYOP forces deployed to Panama with other SOF and conventional forces and were responsible for minimizing casualties by helping convince members of the Panamanian Defense Forces to lay down their arms and avoid further bloodshed, as well as by convincing the Panamanian people to support the new government. PSYOP provided the only radio support available to the new Panamanian government. The Army maintains 1 PSYOP group and 4 battalions in the AC, with 3 groups, 6 battalions, and 22 companies in the RC.

Force Structure Adjustments, FY90/91

The FY91 budget marks the beginning of the Army's transition to the smaller, capable Army of 1995. The Army's plan for this transition is to reshape both active and reserve forces by making reductions based on a careful analysis of the evolving threat, strategy doctrine, resources, and the requirements of the warfighting CINCs. Active reductions will reduce both combat and support forces at home and abroad commensurate with the threat and appropriate international agreements. Reserve force reductions will also be taken in combat and support forces in consonance with warfighting requirements.

The FY91 budget required the Army to reduce its active end strength to 727,500. To accommodate this reduction, the Army proposes inactivating the 2d Armored Division at Fort Hood, Texas, and reducing the 9th Infantry Division (Motorized) at Fort Lewis, Washington, to a motorized brigade. These reductions would permit the move of the 7th Division (Light) from Fort Ord, California, to Fort Lewis, the subsequent closing (or quasi-closing) of Fort Ord, and the possible return of a division from Europe to Fort Hood following appropriate legal and environmental action. While the Army fully intends to reduce its forward-deployed forces as the international environment stabilizes, reductions of Army forces in Europe are linked to the ongoing CFE negotiations. The Army also will propose reducing the 194th Armored Brigade at Fort Knox, Kentucky, to a task force and inactivating one field artillery battalion each at Fort Stewart, Georgia, and Fort Ord.

USAR and ARNG end strengths will be held to about 309,000 and 447,000 respectively through at least FY91. This end strength will have a positive effect on RC readiness as the match between structure and manpower is refined.

Programmed refinement and readiness of the RC are dependent upon continued support in the budget process. Future budgets will significantly affect RC readiness, training, equipment distribution, and, therefore, the ability to mobilize. The security challenge requires a balanced force structure capable of meeting worldwide commitments. The RC forces are integral parts of this structure.

In April 1989, the Under Secretary of the Army and the Vice Chief of Staff, Army, jointly chartered a study to examine the command and control structure of the USAR. The objective of the study was to identify alternative command and control arrangements that will improve the readiness and deployability of the USAR. The study effort included all aspects of the USAR environment, drawing on expertise at HQDA and throughout the Army in the field, both in the AC and the RC. A formal report will be submitted to the Congress in the 2nd Quarter FY90.

On January 11, 1990, the Secretary of Defense imposed a DOD-wide hiring freeze for the remainder of FY90 as a means of attaining a smaller civilian work force. While there are exception provisions, approval for exceptions is held at the Secretary of the Army and the Secretary of Defense level. The Army will face challenges in maintaining a proper skill distribution and the morale of its civilian and military work force and their families as it proceeds with the reshaping of the force.

Force Structure Trends

Trained and ready Army units, both globally deployable contingency forces and forward-deployed forces, backed by rapid reinforcement from the United States, will remain the centerpiece of the Nation's military strategy for the foreseeable future. The size and mix of the force structure must be reassessed continuously in view of the evolving global security environment. New far-reaching developments, such as decreases in resource levels, escalating operating and modernization costs, ongoing national security reviews, and arms control negotiations, have the potential to affect markedly the size and balance of the force.

The Army will continue to maintain forward-deployed forces to meet national security commitments and maintain the credibility of the Nation's deterrent strategy. However, the easing of global tensions, coupled with reduced military threats, may require fewer of these forces. This will cause greater reliance on ready, flexible, and rapidly deployable contingency and reinforcing forces - elevating the need for greater strategic mobility. Since advances in strategic lift alone may not adequately meet Army requirements, future Army contingency and reinforcing forces must be designed to be more strategically deployable with no decrease in combat capability. It is imperative that future Army forces be capable of:

- Attaining a clear tactical advantage wherever committed;

- Conducting land campaigns and simultaneous close and deep operations;

- Maintaining superior force agility through both physical capabilities and leader development;

- Fighting outnumbered and winning; and

- Linking the strategic, operational, and tactical levels of war.

Forward-deployed forces - like this soldier near the demilitarized zone in Korea - continue to support the U.S. national military strategy.

VI. Training

Tough, realistic training is the cornerstone of combat readiness.

The Training Requirement

The Army is charged with maintaining the conventional forces required to deter war and to terminate on terms favorable to the United States wars that do start. Combat-ready soldiers, leaders, and units form the basis for deterrence and effective warfighting, and training is the key to their combat readiness. It is the vehicle through which the Army's quality soldiers and leaders develop the warfighting proficiency and exercise the collective capabilities they will require in combat. It prepares these soldiers, leaders, and their units to fight and win in war - the Army's basic mission.

The Army's assessment of the evolving international environment indicates requirements for versatility, to address a wide variety of threats with a smaller force; for rapid deployability, to react globally on short-notice; and for lethality, to quickly terminate conflicts by maximizing the advantages provided by modern weapon systems. The alert, deployment, and night assault of Army SOF, airborne, and light forces into Panama in conjunction with forward-deployed light and heavy forces only 60 hours after the President's decision to employ U.S. forces would not have been possible without well-trained soldiers and leaders.

Unit Training

The ultimate measure of readiness is whether soldiers, leaders, crews, and teams can perform together as a unit to synchronize their efforts and project combat power at the decisive place and time in battle. The Army is committed to preparing units to respond to varied threats and in extremes of climate and terrain.

Combat Training Centers (CTC)

The CTC program is central to the Army's approved joint training strategy to prepare the Total Army to win in any type of conflict. It includes the National Training Center (NTC), the Joint Readiness Training Center (JRTC), the Combat Maneuver Training Center (CMTC), and the Battle Command Training Program (BCTP). The CTC program is designed to train the Army's combat, combat support, and combat service support units - battalion through corps - for combat. An additional goal of the CTC program is to collect data that will contribute to increased force readiness, equipment and materiel development, organizational structure and design, and doctrine and tactics advancement.

The NTC at Fort Irwin, California, provides realistic combat training in mid to high intensity scenarios. The NTC continues to increase its capabilities, including improved instrumentation and more evaluation of brigade operations.

The National Training Center provides an intense training environment for armor and mechanized infantry forces.

The JRTC, currently located at Fort Chaffee, Arkansas, provides training for nonmechanized battalion task forces in low to mid intensity combat environments. The JRTC continues to refine light forces scenarios and to expand the challenge to include mixed light and heavy operations.

The CMTC provides NTC-like training experiences at Hohenfels, Federal Republic of Germany, for 52 forward-deployed battalions and ground cavalry squadrons. The CMTC concept permits training against a permanent opposing force that will be activated in FY91. The instrumented battlefield with standardized feedback will allow better evaluation and training of units.

The BCTP is designed to provide division and corps commanders and their battle staffs collective training opportunities. The program consists of a battle training seminar that allows the commander and staff to discuss AirLand Battle doctrine and a warfighter exercise that trains the commander and staff in an environment that replicates combat. BCTP, supported by a skilled opposing forces organization, continues to train both AC and RC units.

Army and Joint Exercise Program

The Army conducts or participates in a full range of joint, combined, and unilateral exercises under the Army Exercise Program. The Army holds unilateral exercises at corps level and below, while joint and combined exercises are normally conducted as part of the JCS Exercise Program. There are two categories of JCS exercises. The first includes a no-notice interoperability exercise to practice joint command and control in small-scale regional contingencies, as well as worldwide command post exercises to test plans, policies, and procedures in mobilization, NATO reinforcement, and nuclear attack and continuity of government. The second category consists of JCS-directed or coordinated exercises sponsored by the various CINCs. These include the following:

- REFORGER is the largest CONUS-based deployment exercise and demonstrates rapid reinforcement of NATO and U.S. warfighting capabilities, improves NATO interoperability, and exercises general defense plans. U.S. Army, Europe (USAREUR), has developed a new concept for REFORGER exercises called the REFORGER Enhancement Program (REP). Under the REP concept, field training exercises, command post exercises, and command field exercises will be integrated to run concurrently through the use of simulations. The number of brigade and battalion headquarters participating will nearly double, while the number of soldiers in the field will decline. USAREUR tested and proved the concept, which drew heavily on high technology simulation advances, in September 1989 during Exercise Caravan Guard 89.

A French lieutenant works in a simulation center during Exercise Caravan Guard 89.

- Team Spirit includes forces from both the United States and Korea. This field training exercise includes soldiers from I Corps at Fort Lewis, Washington, the 25th Infantry Division (Light) in Hawaii, and a large number of RC combat service support units from CONUS. The exercise offers deployment training for troops based in the United States as well as unique joint and combined training for all participants.

- Bright Star occurs every other year and includes the deployment of CONUS-based forces to various countries in Southwest Asia. The exercise emphasizes strategic mobility and the rapid deployment of combat-ready troops. More than 6,000 Army soldiers participated in Bright Star 90.

- Fuertes Caminos and Ahuas Tara deploy CONUS-based forces to Central America. The bulk of the troops participating in these exercises are engineer and medical personnel from the RC. The exercises demonstrate U.S. commitment to the region.

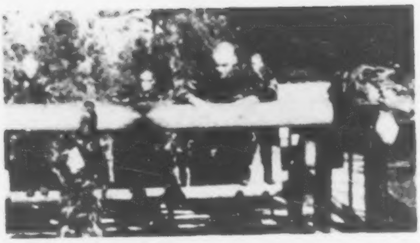
The Army participates in more than 50 JCS exercises each year, with Army incremental support costs of approximately $85 million. These exercises include the deployment of soldiers and equipment throughout the world and allow the Army to practice the procedures and activities that are essential to maintaining the rapid response and reinforcement capabilities required for deterrence. This training is not limited to the AC, as every major JCS exercise includes RC participation.

Soldier Training

The institutional training base provides soldiers with basic, advanced, and specialized skills necessary to meet Army requirements.

Initial Entry Training

The Army is meeting the training challenges of the 1990s through improved efficiencies in the training base. The Army continues to limit the number of basic combat training graduates who must make costly moves to receive advanced individual training. The number of one-station unit training companies will stay constant. The Army has also implemented the Initial Entry



Soldiers go through an obstacle course during basic combat training.

Training Plan, which increases the role of drill sergeants as primary instructors for platoon level training.

Specialized Individual Training

The Army emphasizes selecting and training soldiers in critical additional skills. Over 3,600 soldiers attended the four-phased ranger training program in FY89. Graduates receive follow-on assignments with the 75th Ranger Regiment or one of its three battalions, or they disseminate their enhanced small unit training skills in other units to which they are assigned. During FY90, the Airborne School will train over 23,000 soldiers, with an additional 1,000 attending pathfinder and jumpmaster programs. Mobile training teams from the school will train an additional 500 jumpmaster students. The school provides the trained manpower for all airborne units in Forces Command, U.S. Southern Command, and USAREUR.

The foreign area officer (FAO) program prepares some 140 specially trained officers each year for critical politico-military positions. The program consists of a 3- to 5-year training period, which includes language training, graduate school, and a 12- to 24-month training assignment to the officer's region of concentration. This program provides the officer an in-depth understanding of the region's cultural, political, and military environment. The majority of FAOs are assigned to joint, combined, or DOD staffs. FAOs serve as military attaches, security assistance officers, politico-military and intelligence analysts, and as instructors in the Army school system.

The Army, as the DOD Executive Agent for foreign language training, is responsible for providing quality military linguists to the services, the National Security Agency, and the Defense Intelligence Agency. Qualified service linguists are critical in meeting DOD worldwide requirements for human and signal intelligence, performing U.S.-Soviet treaty verification tasks, and training civilian linguists for the Drug Enforcement Agency. Sufficient resources are available to support the development of these national assets at the Defense Language Institute Foreign Language Center and to meet the increasing demand for qualified linguists in support of global commitments.

Army Physical Fitness Program

The Army completed an assessment of AC physical fitness during FY89. The results indicate a need for more intense physical training and a requirement for programs to be based on unit mission instead of the Army Physical Fitness Test. Army senior leadership guidance and FY90 doctrinal changes require fitness programs to be battle focused and intense enough to provide maximum benefit to soldiers.

Key to the Army's success is sustainment of the Master Fitness Trainer program. More than 1,400 soldiers are trained each year by the Army Physical Fitness School to develop and sustain unit programs based on sound scientific principles and proven fitness techniques.

Distributed Training

Army training resources are decreasing, especially in training support, yet training requirements are not shrinking, and may actually be increasing. Short-term reaction to this lack of resources has been to cancel and shorten courses. The Army is developing a long-term plan to deal with these pressures and to meet requirements by using technology to export training and training support materials from resident schools to regional centers, units, learning centers, and individuals. The plan is called the Distributed Training Strategy. The plan calls for exporting existing resident instruction, reducing the total time required for training, and paring classroom and base operations requirements.

The Distributed Training Strategy calls for heavy use of technologies, such as computer-based instruction, expert systems, interactive video disc, and video conferencing, to generate total cost savings through the investment of the money and effort required to distribute the training. The technologies will allow the Army to reach many students without spending money to move them to the classroom. The training will also be available for large numbers of individuals, like those in the RC, not adequately served by the current resident system without an increase in the number of instructors.

Pilot projects started in FY89. A more extensive series of such test projects will be run in FY90, ranging widely across analytical skills, high-tech military occupational specialties (MOSs), various delivery media, and active, civilian, and reserve populations. The pilot projects will help further shape the concept and implementation of the Distributed Training Strategy.

Training Support

Training support provides the foundation for the key activities of field maneuver training; range fire; device, simulator, and simulations utilization; and numerous other important activities and resources needed to train effectively.

Integrated Training Resource Strategy (ITRS)

The provision of adequate resources is essential for maintaining the level of training required for readiness. In an era of constrained budgets, resources must be allocated in the most efficient and effective manner to maximize their impact. The ITRS is an Army effort to combine the best features of current methods of training research in an approach that integrates simulators, devices, simulations, and ammunition trade-offs.

There are advantages to the current approach for providing training resources to units. Sufficient resources are provided to allow the units a set number of training miles for major equipment systems - their allocated operating tempo (OPTEMPO). Data collected over the past 4 years indicates that when the level of HQDA-directed OPTEMPO changes, there are corresponding changes in major AC combat commands' training readiness; there are also parallel changes in the affected units' organizational fuel and parts consumption. Additionally, a statistical relationship exists between the number of home station training miles executed and the ratio of enemy to friendly vehicles "killed" at the NTC. The more the units train, the higher their kill ratio.

The ITRS will maintain the current approach for training miles and ammunition; will address both AC and RC unit requirements; and will provide appropriate trade-offs for training devices, simulators, and simulations (TDSS). Several base unit training programs (BUTP), consisting of packages of miles and rounds, will be developed for each type of battalion. BUTPs will allocate more resources for units that are scheduled to be "first to fight" in war plans. Later deploying units may receive fewer resources since more intensive training time will be available between initial notification and deployment. The ITRS will also consider the training transfer provided by TDSS. For example, a tank battalion with access to a sufficient number of Close Combat Tactical Trainers may receive a corresponding decrease in OPTEMPO and of main gun ammunition. As a goal, the Army will strive to have an ITRS methodology in place to allocate training resources in the FY94-99 Program Objective Memorandum (POM).

Battlefield Training Simulations

The Army's program to take advantage of state-of-the-art battlefield training simulations is called Family of Simulations (FAMSIM). FAMSIM is a key training system that develops and sustains warfighting skills for commanders and their battle staffs. It is composed of three systems: the Deep Battle Integration Trainer (DBIT), the Brigade/Battalion Simulation (BBS), and the Combat Service Support/Training Support System (CSS/TSS). DBIT trains division and corps commanders and their battle staffs. It has revolutionized the way major combat units train because it allows for dynamic, stressful command and staff activities without placing maneuver forces in the field. Under DBIT, the Army has provided a battle simulation center to five corps and the Combined Arms Center at Fort Leavenworth, Kansas. The BBS program trains brigade and battalion commanders and their battle staffs in warfighting skills. It and its predecessor, the Army Training Battle Automated Simulation System, have had the same positive impact as DBIT. CSS/TSS provides a dynamic logistical simulation driven by either DBIT or BBS depending upon the echelon of the staff being trained.

Training Devices and Simulators

The Army is making great strides to offset the cost of training with more sophisticated weaponry by using devices and simulators. To reduce this cost, the Army is moving toward precision gunnery laser systems that will reduce the requirement for live fire. Training devices and simulators also have a positive impact on the continuing efforts to minimize the environmental impacts of training. Training devices such as the Precision Gunnery System and the Tank Weapons Gunnery Simulation System permit training in local training areas rather than travelling to major training areas to fire live ammunition. The Close Combat Tactical Trainer will permit force-on-force training in networked simulators, reducing the fuel, maintenance, and other expenses of training all collective tasks in the field. Training realism is enhanced substantially through such systems as the Simulated Area Weapons Effects, which will assess casualties for indirect fire, much the same as the Multiple Integrated Laser Engagement System has done for direct fire weapons since 1980. Although devices and simulators can never replace field conditions, they can reduce required field time by training basic tasks in simulators before refining and testing the skills in the field.

The Multiple Integrated Laser Engagement System

Range Modernization Program

Success on the battlefield is not possible without an aggressive program to upgrade existing ranges and build new range complexes that support the live fire gunnery and training requirements associated with AirLand Battle doctrine and modern weapon systems.

Since 1984, the Army's Range Modernization Program has revolutionized live fire qualification and sustainment training by using standardized ranges for individual and collective training and a family of computerized targets (Remotely Engaged Target System). Funding for the program peaked in 1984. Funds have steadily declined since, causing a backlog of projects. To offset this trend, validated range projects satisfying training readiness requirements will be treated as priority items in the FY92-97 POM development. In FY91, the program resources 13 active Army and 10 ARNG range projects at various CONUS and overseas installations.

Reserve Components (RC) Training

As a result of a year-long study effort, the Army has adopted a comprehensive training strategy to improve RC training readiness. The strategy, and the ensuing action plan, is to focus on all dimensions of soldier, leader, and collective training and on training support and training management. The goal is to raise RC training readiness by providing more efficient and effective training.

The RC Training Development Action Plan (RC TDAP), adopted in May 1989, provides Army implementing guidance for the RC training strategy. It is the primary source for actions to improve RC training readiness. The RC TDAP identifies 38 issues which are obstacles to effective RC training, as well as actions and milestones for resolving those issues. HQDA oversight of RC training is the single highest priority of the RC TDAP. HQDA oversight will enable the Army to ensure that the RC TDAP actually implements the RC training strategy and measurably improves RC training readiness.

RC Training Activities

Military occupational specialty qualification (MOSQ) continues to be a major training priority with the RC. The objective is to have 85 percent of the soldiers at battalion level with the proper MOS and skill level. While some of the current problems are geographic and demographic (a unit needs one MOS, but the available soldiers have another MOS; or a unit changes from one branch or type of equipment to another but keeps the same soldiers), most of the solutions are in training. TRADOC has developed a large number of exportable training packages which the ARNG academies and USAR Forces schools are using extensively. These two portions of the RC school system are working cooperatively to schedule courses and students, avoid duplication, and make their respective systems more efficient. They are also making use of community colleges, vocational and technical schools, and other available civilian training assets. The Army is working to reduce the tremendous turbulence in MOSQ and other areas created by force structure changes and force modernization.

The Regional Training Site - Maintenance (RTS-MAINT) program offers transition and sustainment training for RC soldiers in maintenance specialties. When the program is complete, there will be 21 regional sites in CONUS and Hawaii. Tools, diagnostic equipment, and major components (e.g., engines, transmissions) at the sites will enable citizen-soldiers to get hands-on training with the Army's newest generation of weapon systems.

Thirteen standard RTS-MAINTs will have been activated for training by the 2nd Quarter FY90. Six other RTS-MAINTs are programmed for activation by FY93. Two additional high technology maintenance regional training sites will be activated for training at the Tobyhanna, Pennsylvania, and Sacramento, California, Army depots to train personnel in highly technical electronics and communications MOSs. Each standard RTS-MAINT requires 14 full-time Active Guard and Reserve personnel. Constraints on the full-time support manning program could affect RTS-MAINT staffing and full implementation of this program.

The High Technology Training Center (HTTC) at Fort Dix, New Jersey, uses training devices and simulators not available at local RC unit facilities to provide individual, small unit, and battle staff training to RC soldiers. After 18 months of operation, the HTTC has trained personnel for more than 34,000 mandays.

The Training Technology Field Activity was established at Gowen Field, Idaho, with the mission of testing training methods and applications to improve RC training. Projects have included a soldier survey on improving inactive duty training and tests on distributive training delivery methods. A major test of a squad engagement training system will be conducted in FY90.

The Regional Training Site - Medical (RTS-MED) program will provide RC medical units an opportunity to train in their wartime mission. The program provides cadre, medical equipment, facilities, and appropriate maneuver and training areas to conduct new equipment training and sustainment on the Deployable Medical Systems. Two of the seven RTS-MED sites (Camp Shelby, Mississippi and Fort Indiantown Gap, Pennsylvania) are fully operational, with the remaining sites to be phased in by FY93. The standard site will encompass a 5-acre training, classroom, storage, and maintenance area. This will provide RC medical units an opportunity to conduct individual and collective unit training in a 400-bed evacuation hospital.

Centralized ARNG Aviation Training Sites (AATS) located in Pennsylvania and Arizona provide standardized and specialized aviation training. The eastern AATS stresses individual aviator qualification training in utility and cargo rotary wing aircraft and selected fixed wing aircraft. It operates a regional UH-1H Synthetic Flight Training System and an AH-1 Flight Weapons Simulator (FWS) supporting aviators from the AC and RC on a regional basis. In FY89, 20,068 aircrew flying hours were logged at this site. The western AATS, which also operates an AH-1 FWS, focuses on attack and aeroscout rotary wing training. The western site logged 7,301 hours of aviator training during FY89. These two training sites are the only RC training sites authorized to conduct helicopter instructor pilot qualification courses. They have a mission to provide an immediate expansion capability for the Army's aviation training base upon mobilization.

Overseas Deployment Training (ODT)

ODT for RC units provides realistic mission training and contingency planning in support of U.S. military commands throughout the world. The participating units become familiar with the actual terrain and political environment in their assigned theaters, while contributing to a peacetime U.S. presence worldwide.

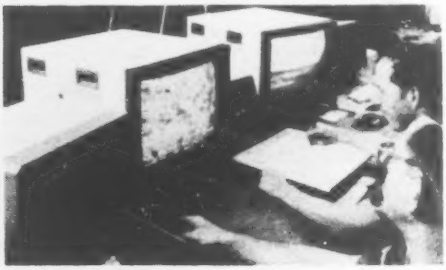
Due to budget constraints and lowered levels of JCS exercises, ODT deployments have been reduced to approximately 2,000 units and 42,000 soldiers in FY90.

The Army recently completed a full assessment of ODT. Its findings and conclusions were based on the views of 14 CINCs and Army component commanders. The commanders strongly endorsed ODT because it supports their theater objectives and enhances the readiness of participating units.

Training for the Future

Training is the Army's most important peacetime mission. It is the cornerstone of readiness. Technological developments, environmental concerns, changes in the demographics of the American population, reductions in resources, changes in the threat, and other factors drive the need to constantly reexamine the way the Army trains. Training methods must continue to evolve in the future to meet new challenges.

Trainers, weapon and force designers, resource managers, and all others whose work impacts on training must work together to ensure that future training meets the needs of the Army. They must develop and provide resources for plans to support the fielding, employment, and training of the Total Army so that it is prepared to carry out its missions in the future.



The use of simulations in training will increase in the future.

As the Army moves toward the 21st century, institutional and unit training programs will expand the use of simulations and simulators to reduce costs and increase realism, especially in the RC. Computer-based instruction and distributed education strategies will be an integral part of training. Requirements for integrated, multi-echelon training will continue, with increased emphasis on joint and combined operations.

The Army Long Range Training Plan (ALRTP), published in July 1989, provides planners and training developers the guidance required for the development of policies and the acquisition of resources to train all elements of the Total Army for the next 30 years. The ALRTP describes future trends in the environment in which training will be conducted, makes assumptions concerning areas relevant to training, and identifies future force characteristics and capabilities. It also specifies future training requirements for facilities, real estate, and TDSS that must be available in conjunction with the employment of new doctrine, organizations, and weapon systems.

Sustainment for Training and Warfighting

Sustainment refers to the ability to maintain the necessary level and duration of operational activity to achieve national objectives. It is a function of providing for and sustaining the Army's existing forces as well as addressing the potential warfighting needs of the CINCs. Achieving a trained and ready force is clearly not solely a function of OPTEMPO and flying hours. The Army cannot maintain the levels of readiness required of it without an effective sustainment program. The Army's sustainment program requires appropriate levels of funding to ensure essential materiel readiness through depot supply, depot maintenance, transportation, and strategic mobility operations; essential personnel readiness through effective medical support and organizational equipment programs; and essential warfighting readiness through theater reserve and industrial base programs.

The U.S. Army has made great progress in overall sustainability in the past few years, but essential investment has not kept pace with requirements, particularly in the areas of worldwide mobility, adequate war reserves, and the maintenance of an industrial capacity capable of providing the Army necessary battlefield systems. Moreover, fiscal constraints will challenge the Army's ability to maintain its progress. In the future, the Army will have to adjust its sustainment programs to account for changes in its forward-deployed forces, to include any reductions in Europe as a result of the CFE negotiations. It is likely that funding for sustainment will be reduced as the force structure is reduced. Consequently, the Army is working hard to increase its efficiency in overall sustainability by implementing recent Defense Management Review recommendations (see Chapter IX).

Depot Maintenance Program

Annual Army sustainment costs for the depot maintenance program are approximately $2.2 billion. The program is comprised of:

- Hardware maintenance ($1.5 billion for FY91), which includes repair and overhaul of major items (weapons, vehicles, aircraft, etc.) and depot level repairables (engines, transmissions, and replaceable components). Depot level repairables will begin to be transferred to the stock fund in FY91.

- Maintenance support activities ($.7 billion in FY91), which provide new equipment training, sample data collection, technical assistance to field units, development of technical publications, and maintenance and upgrade of weapon system software. Maintenance support activities are funded at approximately 59 percent of requirements. Such shortfalls in these programs, critical to supporting soldiers in the field, result in higher maintenance costs in the long run.

Depot maintenance may be performed in organic Army depots (total $1.1 billion in both FY90 and FY91) or in contractor facilities. Requirements increase annually due to new and more technically complicated equipment being brought into service. Requirements that are not funded in one year are included as part of the next year's requirements. The FY90 deferred requirement is $70 million, declining to a projected $66 million for FY91, a serious Army problem receiving close management attention.

The major end item repair and overhaul program is funded at 92 percent of the Army requirements for FY90 and FY91 respectively. Near-term readiness will receive the highest priority, with funding for depot level repairables at 100 percent in both years. This means that risks and shortfalls are being accepted in the overhaul and repair of major items, another major Army problem.

Supply Program

Central supply and transportation programs provide the logistical support necessary to train and sustain U.S. combat forces. This program also finances operation of Army commissaries, worldwide transportation, industrial preparedness, and other vital sustainability programs. Annual funding is $2.8 billion in FY90 and $2.5 billion in FY91. Current funding will accommodate only the highest priority logistics support requirements. Inadequate funding of logistics programs, such as inventory management and care of supplies in storage, erode the ability of central supply and transportation to provide quality logistical support to Army combat units and installations.

The Combat Authorized Stockage List (ASL)/Prescribed Load List program provides units the essential repair parts required to support and sustain combat until the logistics system adjusts to increased demands. It brings AC and RC units additional essential support maintenance capability. The program is a combat multiplier which anticipates commanders' needs during the initial phases of war and translates them into critical requirements which are held on-hand. Stockage is based on state-of-the-art computer simulations. These employ current engineering failure data and a combat scenario to predict war time requirements and align assets at the unit, direct support, and depot level. Fiscal constraints require that 100 percent of this program be applied in support of overseas requirements, which leaves CONUS requirements underfunded. The Army plan is for completion of 20 percent of the standardized Combat ASLs for divisional and non-divisional AC and RC early deploying units by FY94.

Stockage of repair parts must be adequate to support maintenance during combat and training.

The Air Line of Communication (ALOC) Program provides rapid movement of repair parts by air from stateside depots to direct support units overseas. ALOC objectives are to improve supply support, enhance materiel readiness, and to exercise the wartime resupply system. A detailed review of the costs associated with ALOC was conducted in FY89. The study proved conclusively the value of ALOC to the Army. Savings associated with ALOC include the reduction in equipment down time, the cost avoidance of supply pipeline investment, and the reduction in materiel handling at intermediate transportation terminals. The program receives continuous monitoring and continues to serve Army needs with sustained excellence.

Transportation Program

Transportation supports all Army readiness and quality of life programs for soldiers worldwide. This role means that transporters do not establish requirements independently but react to requirements from other programs. For 3 years, Army budgets have underfunded transportation with the hope that shortfalls could be overcome through greater economies in providing transportation services. Unfortunately, the Army has only limited leverage over the costs of the transportation program. Over 75 percent of the program goes for over-ocean transportation, where DOD sets the rates that the Army must pay to the Military Airlift Command, Military Sealift Command, and Military Traffic Management Command. Although over-ocean transportation for FY91 is currently fully funded, it does not take into account any withdrawal of troops from overseas nor any major redistribution of equipment. Should either of these occur, the Army will require congressional assistance in funding the revised transportation program.

Procurement Spares

The procurement spares program governs the acquisition of depot level repairable (DLR) secondary items. Typical items are components, assemblies, and subassemblies (engines, transmissions, circuit card assemblies, etc.) of weapon systems and equipment. DLRs are currently funded in the Army procurement accounts and are issued free to Army customers. This represents an annual investment of more than $1.4 billion dollars.

The stock funding of DLRs is one of the initiatives of the Army Management Review discussed in Chapter IX. Implementation will begin in FY91 with full implementation in FY93. At that time, replenishment DLRs would no longer be funded in the procurement accounts and provided as free issue. Army customers will use their operation and maintenance funds to purchase replenishment DLRs from the stock fund.

Army Medical Program

Army medical research, development, and acquisition programs support the Army and the warfighting CINCs by providing the technology, technical information, and combat medical materiel essential to sustain readiness, support deployment, and optimize human performance. These programs develop the support and protection necessary to defend against infectious diseases occurring in all geographic regions, deter the use of and minimize the effects of chemical and biological weapons, maximize human performance in high intensity combat and environmental extremes, and provide care for combat casualties to save lives and increase the return-to-duty rate.

Ballistic-laser protective spectacles, helmet visors, and mask inserts for soldiers and aviators will significantly reduce eye injury from low-energy laser radiation and from small ballistic fragments. Site-of-injury resuscitation of battlefield casualties will be enhanced and return-to-duty rates increased through the use of new resuscitative fluids currently in development. A more effective chemical agent skin decontamination kit will be fielded that is non-toxic, safer, and easier to use.

Medical grade oxygen and medical grade water are major claimants on strategic and tactical lift capability. The development of the Field Medical Oxygen Generation and Distribution System will produce medical grade oxygen in the theater, thereby reducing the strategic 60-day lift requirement for a 400-bed hospital from 14 C141 sorties to 1. Similarly, the development of a Resuscitative Fluids Production System will reduce the medical fluid logistical requirement from three C141 sorties to less than one.

Health service support force structure must continue to contribute to the Army's role of providing essential forces to the unified commands while being flexible enough to adjust to the dynamics of developments in the future.

Medical Force 2000 (MF2K) provides health service support at echelons above division through the year 2000 and beyond. MF2K is the initial and long-range medical force structure strategy for the Army. MF2K tenets emphasize maximum soldier return to duty, soldier health maintenance, standard modular hospital designs, enhanced medical training initiatives, far forward resuscitative care, streamlined organizations within medical functional areas, and exploitation of high technology. This medical force structure will give the Army superior medical care on the battlefield. Implementation will be designed to minimize turbulence and maintain maximum medical readiness. MF2K will integrate the operational priorities of the theater commanders, the procurement schedule of Deployable Medical Systems, and changes in health service support structure to give the best medical support to the Army within resource constraints.

Organizational Clothing and Equipment

The Army is modernizing organizational clothing and individual equipment. The new items include ballistic eye protection, explosive ordnance disposal body armor, extended cold weather clothing, extreme cold weather sleep gear, and the individual tactical load bearing vest. The modernized items increase the effectiveness and survivability of the individual soldier. The goal is to field items to the Total Army that lighten the individual soldier's load, improve his load-carrying capability, and provide state-of-the-art weather resistance and ballistic protection. In addition to organizational clothing, the Army also is fielding a new green uniform, a windbreaker, and an all-weather coat.

Bulk Petroleum Distribution

The distribution of fuel is critical to deployment and sustainment of ground and air combat forces. Pipeline is the most efficient and least manpower intensive method for distribution of large quantities of petroleum. Since 1984, the Army has been procuring components of tactical pipeline and storage systems. A total of four systems of various sizes are planned. One complete system and four training modules have been procured. In FY91, the program will complete purchase of a second and larger system.

Tactical Water Support

Adequate supplies of potable water are critical to success on the battlefield but are also vital to human survival. This latter fact was reinforced during Hurricane Hugo. Hugo damaged public water systems in the U.S. Virgin Islands, Puerto Rico, and Charleston, South Carolina. The Army supported the stricken areas with its water producing capabilities by purifying, storing, and distributing water to the local citizens. The Army is developing and enhancing its capabilities for the detection, purification, storage, distribution, and cooling of water. Purification equipment can produce potable water from any source, even if nuclear, biologically, or chemically contaminated. Storage and distribution systems using collapsible fabric tanks ensure adequate water support throughout the theater of operations. In FY91, 3,000 gallons per hour reverse osmosis water purification units will be procured for non-divisional and general support units. Future funds will procure additional purification units for divisional and non-divisional units, more collapsible fabric storage and distribution tanks, and water quality analysis units.

Soldiers provide water on St. Croix after Hurricane Hugo.

Preferred Munitions

Significant advances in the sophistication and capabilities of the threat have forced technological improvements to the Army's weapon systems and ammunition more rapidly than expected. Preferred conventional munitions are critical to the Army's role in maintaining credible deterrence and its ability to effectively meet worldwide commitments.

Preferred munitions are the most capable rounds available for combat units to engage and defeat a specific threat. The list of preferred munitions changes as the threat and the technology available to defeat that threat changes. Availability of preferred munitions is essential for successful combat, and the Army is working continually to improve its posture in these items. Current stockage levels of preferred munitions provide a minimally acceptable capability to defeat the likely threat. Planned procurement programs will gradually improve the Army's preferred munitions posture over the FY90-94 period. Older, and consequently, substitute ammunition is maintained in the stockpile as long as it is effective against a significant portion of the threat. War reserves of the most capable munitions are especially important in the initial phases of combat before the mobilization base can provide continued sustainment. Examples of preferred munitions are the 120mm armor piercing, fin stabilized discarding sabot tracer and the 155mm baseburner projectile.

Strategic Mobility

One of the Army's primary concerns is the capability to deploy its forces in support of U.S. military strategy. Without adequate strategic airlift and sealift, the Army cannot meet its global commitment to project its forces overseas. Current and anticipated strategic lift capabilities, particularly sealift, fall short of the Army's needs to meet its deterrent and warfighting missions.

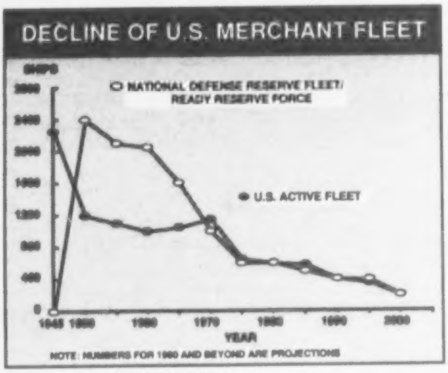
During the early stages of an overseas deployment, the Army needs a rapid response capability to insert forces and provide for the immediate resupply of time sensitive, high priority cargo. Airlift provides for this fast, flexible response. Current airlift programs will increase capability from the current 47 million ton miles per day (MTM/D) to 54 MTM/D in FY94. However, the congressionally mandated objective of 66 MTM/D will not be achieved until completion of the C-17 program. Clearly, the C-17 is critical to the Army's strategic mobility. This aircraft is designed to support Army requirements, and the Army fully supports its fielding.

While using airlift for rapid response, the Army relies on sealift to move the bulk of its combat power and resupply. Past experience indicates sealift will move about 95 percent of the equipment and supplies into an objective area during a protracted conflict. Unfortunately, all recent mobility studies have indicated a shortfall in sealift capability. Of particular concern to the Army is the shortfall in unit equipment capable shipping.

Adequate airlift and sealift is needed to move Army forces.

Current capabilities will provide approximately 800,000 short tons of the 1 million short tons DOD has set as a goal.

The major reason for the failure to reach the sealift goal is the precipitous decline in the number of U.S. flagged, militarily useful ships. To address the sealift shortfall, the Army recommends completing the Ready Reserve Force fill and increasing NATO shipping. Additionally, the Army supports acquisition of additional fast sealift ships that are commercially viable and continued development of ultra fast sealift technology that could include surface effect fast sealift ships. In the long term, the Army fully supports implementation of the National Sealift Policy.


DECLINE OF U.S. MERCHANT FLEET

SOURCE: U.S. TRANSPORTATION COMMAND

Pre-positioning of Materiel Configured to Unit Sets (POMCUS)

POMCUS is organized equipment stored in Europe in company and battalion size packages in a ready-to-use configuration. The purpose of POMCUS is to pre-position the majority of a unit's organizational equipment forward so that in time of crisis unit personnel, with a minimum of equipment, can rapidly deploy by air to meet NATO contingency requirements.

The concept of pre-positioning unit sets began in 1961. POMCUS currently consists of six division sets and has been modernized with M1A1 tanks, M2 and M3 fighting vehicles, and the MLRS. Equipment is allocated to division sets in accordance with the concept that the first units to fight receive the first priority in distribution. Controlled humidity warehouses and other storage facilities are provided through the NATO Infrastructure Program.

The POMCUS program is vital to the Army's ability to project critically needed forces rapidly in response to a European crisis. Though expensive to equip and maintain, POMCUS saves resources and time by permitting units stationed in the United States to rapidly reinforce NATO.

Wartime Host Nation Support (WHNS)

In return for the U.S. commitment to provide 10 divisions within 10 days of mobilization, the Federal Republic of Germany (FRG) has pledged approximately 50,000 German Army reservists, organized into 100 units, dedicated to the support of USAREUR, in crisis and war. These reservists provide the critical support required to accommodate U.S. rapid reinforcement and resupply efforts, to include sustainment of U.S. multilateral WHNS lines of communication. U.S. forces cannot be supported adequately without this WHNS and related infrastructure. The support equates to 206 units (35,000 spaces) in U.S. force structure savings.

The Army funds German unit equipment and supplies, and bears annual operations and maintenance costs for the stored materiel (equipment holding units) and facilities in peace and war. Germany funds military personnel costs, prefinances infrastructure ($255 million), and mobilizes much of the required unit equipment from its civil sector at a U.S. cost savings of $578 million. Construction costs are shared equally by the United States and Germany.

Action by FRG is proceeding as planned. All 100 units have been activated. Units average 84 percent in personnel strength. All units will be 100 percent manned by 1991.

Industrial Preparedness

The private and government owned industrial base represents the Nation's industrial capability to produce the ammunition, equipment, and other materiel that would be required by U.S. forces during war. The ability of the industrial base to respond to the wartime production levels required to sustain forces in the field has steadily eroded over the years.

Reduced funding levels have had a particularly acute impact on the readiness of the government owned laidaway ammunition production lines, which have an estimated worth of $8.68 billion. These facilities, meant to be brought on line rapidly in the event of mobilization, have suffered a dramatic degree of deterioration in recent years due to reduced funding for maintenance. In FY89, maintenance was underfunded by 55 percent. At this level, little more than basic security can be provided. These funding trends, if continued, will result in the total loss of the laidaway ammunition base.

The capability of the privately owned industrial base to support mobilization requirements has also declined markedly in recent decades. There has been a steady shift away from heavy industry to service-oriented industries in the U.S. economy. The expanded industrial capabilities of foreign nations has led to increased competition with American industry and resulted in a decrease in manufacturing capacity for numerous high-tech components - particularly in the electronics and optical fields. This, in turn, has resulted in increased dependence on foreign sources for many critical components for major American produced weapon systems. These trends, separately and collectively, adversely affect the industrial base's capability to meet the demands of mobilization in the event of a national emergency.

The Army actively supports the maintenance of a strong industrial base. In 1989, the Army began testing an improved production capacity survey that will provide for improved data management of major Army end items. The survey will identify the manufacturing requirements of a major weapon system, to include major components, sub-components, subcontractor contributions to the finished system, and the potential impact of foreign sourced components on the production process. By developing a complete schematic of production requirements, the Army will be better able to identify potential impediments in the production process and assess the impact of foreign sources of critical components on finished products.

The Army supports the initiative of the Defense Manufacturing Board to identify critical technologies essential to the industrial base's capability to produce major weapon systems and their components. The objective of this program is to assure the retention of key defense base technologies within the industrial base and to restore lost capabilities to decrease the potential vulnerability associated with dependence upon foreign sources.

The maintenance of a strong industrial base capable of providing for the war materiel requirements of U.S. forces in peace and war must be a crucial element of national security strategy. The base must not be allowed to erode beyond its present state, and measures to maintain laidaway capacity, reduce foreign dependence, and retain key technologies must be supported by both government and industry.

VII. Modernization

Quality soldiers and modern equipment provide an advantage in combat effectiveness.

Strategy for the Future

Modernization is the continuous process by which the Army develops and fields warfighting capabilities needed to deter war and, if necessary, to fight and win. It is more than just the development and fielding of advanced weapons and equipment. Modernization also includes the associated production, mobilization, and sustainment base and up-to-date doctrine, organizations, training, and leader development programs that, together with advanced weapons, can maximize the U.S. advantages in technology and ingenuity. The Army takes an integrated, disciplined, evolutionary approach to modernization.

The recent and projected reductions to Army procurement accounts have forced the Army to manage tightly its modernization. The Army's assessment of the evolving international environment indicates that threats to the United States in the near term may permit the Army to accept some risk in the modernization of the force over that period. Hence, the Army has developed a modernization strategy focused on the future, where the threat is less certain but potentially more sophisticated than today's. The guiding principles are to protect future modernization (e.g., the next generation of helicopter and tank); to preserve research, development, testing, and evaluation and the technology base; and to terminate unaffordable programs rather than inefficiently stretching them out. The Army is committed to developing and deploying weapon systems for the future. It will modernize only its most essential warfighting capabilities in the short term as it focuses on long-term modernization.

The Army seeks maximum leverage against adversaries' weaknesses by stressing its own strengths, particularly the quality of its soldiers, leaders, and technology. With this in mind, Army strategy focuses on long-range development. The Army's modernization strategy calls for adhering to a set of principles which accord with future wartime requirements, threat capabilities, and fiscal realities. The first principle is to put the most modern equipment in the hands of those who are first to fight.

Second, both lethality and survivability must be considered. It is essential that the Army continue to field weapon systems that have the degree of lethality needed to defeat the enemy while maximizing the survivability of its soldiers and systems.

Third, new or enhanced capabilities must be fielded faster than those of opponents.

Fourth, systems must be designed with their future modernization potential in mind.

Fifth, to ensure affordability, the Army must modernize with priority given to units that are first to fight, regardless of component. As new systems are fielded to forward- and early-deployed forces (first package), the displaced systems from these units are reissued to follow-on units (second package), and so on to later deploying units (last package).

Sixth, the Army must minimize the turbulence in training and readiness that frequently occurs when new equipment is fielded in the force. The goal is to field systems that require minimal new equipment training for soldiers, are reliable, and are simple to operate and maintain in combat.

In adapting force structure and fielding new equipment that is more lethal and survivable than the system it replaces, the Army must design new hardware with enhanced mobility, lower operating costs, and increased effectiveness. The requirement to "lighten the force" when developing future equipment is essential to improve strategic and tactical mobility.

Coordinated Programs

Army modernization plans outline a 20- to 30-year strategy for resource allocation that provides continuity to system or ammunition procurement. The plans are coordinated vertically (throughout the service) and horizontally (across functional areas). They are intended to establish a rate of modernization that is competitive with expected advances by potential adversaries and that addresses known, current shortfalls in the Army's ability to execute worldwide missions. Modernization plans formally state the Army's plan for force development and clearly articulate goals in specific modernization efforts. They produce key planning documents that assist in providing long-term continuity of effort across and within functional areas and that discipline efforts in accordance with the Army's force modernization principles.

Equipment modernization programs must be carefully coordinated for doctrinal considerations, ensuring consistency with the AirLand Battle and AirLand Battle-Future concepts. The key to success is the ability to maintain a balanced set of modernization plans that encompass the general technology base, heavy and light forces, and all aspects of the operational environment (close, deep, and rear). Further, these plans must be flexible enough to maintain integrity while fitting within varying resource constraints. Consequently, most plans encompass a mix of development of new systems, product improvements to existing equipment, and procurement of nondevelopmental items.

Individual modernization programs are coordinated within specific mission areas through the "system of systems" approach. The Army strives to avoid stand-alone modernization plans, preferring programs that are integrated with other elements of the force.

Army Technology Base Master Plan (ATBMP)

The ATBMP is a comprehensive blueprint containing the Technology Base Investment Strategy (TBIS) for meeting future Army requirements in support of CINC warfighting needs. It aims to maintain the technological base while focusing investment on promising emerging technologies. It is designed to advance technology in areas that will increase U.S. capabilities against the projected threat while taking into consideration the fact that resources will be constrained.

The ATBMP provides guidance to the Army technology base community; enhances the leveraging of other service, industry, and academia investment; responds to DOD and congressional interest; focuses technology base investment at critical levels on key technologies; improves technology base stability; and achieves more support for technology base investment through an improved understanding of the Army's investment strategy and plans.

The ATBMP summarizes the future threat and Army doctrine and emerging concepts for meeting that threat. The resulting warfighting imperatives and essential capabilities as well as the method for implementing the TBIS are also outlined.

Army Aviation Modernization Plan (AAMP)

The AAMP is the Army's plan to modernize the Total Army aviation force over the next 30 years. Modernization of the aviation fleet is achieved through managing aircraft age, aircraft capability, organizational structure, doctrine, and training. The AAMP assures sustainment and improvement of aviation assets within an affordable, stable funding level. Economical age constraints are established to determine aircraft useful life. Older aircraft with higher costs are retired as new aircraft with modern technology are introduced, thus obtaining the optimum high/low technology mix.

Key areas addressed in the plan are:

- Initial operating capability of an armed reconnaissance and attack system for light forces (the light helicopter - LHX) by FY97;

- Production of AH-64, CH-47D, OH-58D, UH-60, and aircraft to support SOF;

- Product improvements to fielded systems to protect aviation investments by maintaining required

The Army Aviation Modernization Plan is a 30-year blueprint to keep Army aviation up-to-date.

warfighting capabilities and effecting appropriate safety modifications;

- Decision points for improvement programs or new aircraft developments; and

- Development of equipment packages integrated within an Army aviation technology base to meet long-term aviation requirements.

Armored Systems Modernization (ASM) Plan

The Army has reviewed its modernization plans in view of the changing world situation to ensure its ability to provide a credible, combat effective conventional land force. As a result, the Army's Heavy Force Modernization program has evolved into a more comprehensive approach to modernization. The need to include other priority combat systems in the modernization efforts necessitated that heavy force modernization evolve to an umbrella modernization plan, the ASM plan.

ASM provides for product improvements to the current fleet of combat vehicles in the near and mid-term and aggressively pursues a near-term solution to the fielding of an armored gun system to contingency forces through non-developmental item acquisition. In the far term, ASM will modernize armored systems to maximize both operational capabilities and interoperability through the procurement of vehicles developed on like or similar chassis.

The Army's heavy tank modernization efforts will focus on developing a replacement for the Abrams tank.

Critical to ASM is the integration of evolving technology into current systems and into the development of future systems. This enables acquisition of state-of-the-art warfighting systems in the shortest time and at reduced costs. This will be accomplished by building on the principles of the former heavy force modernization program, such as commonality, concurrency in development, a streamlined acquisition strategy, and a realistic fielding plan. Obvious benefits of commonality include reduced operation and support, procurement, personnel manning, and training costs.

ASM is constructed on the premise of common components in a more streamlined acquisition process. The Block III Tank, Combat Mobility Vehicle, Advanced Field Artillery System, and Future Infantry Fighting Vehicle are on a heavy protection level chassis, and the Future Armored Resupply Vehicle-Ammunition and Line-of-Sight Anti-Tank are on a medium protection level chassis (i.e., the current Bradley/MLRS chassis). An armored gun system has been added to ASM based on the need for a rapidly deployable system for contingency forces.

The Army needs ASM to ensure both lethality and survivability of its armored systems. ASM will provide evolutionary modernization of armored systems and will preserve the Army's investment in the future by providing essential warfighting capabilities for all types of forces and missions.

Armor-Antiarmor (A3)

Armored vehicles are still at the core of modern land combat, so the force with superior armor has a decided advantage on the battlefield. Unfortunately, the U.S. and NATO technological lead in the armor-antiarmor area has been seriously undermined by the introduction of reactive armor and new tanks by the Soviets. The A3 Modernization Plan seeks to recapture the U.S. qualitative advantage in this area. Success in this endeavor is essential to maintain the effectiveness of Army forces against a numerically superior threat.

The Armor-Antiarmor Plan will modernize antiarmor systems like this TOW missile being fired from a Bradley fighting vehicle.

The A3 Plan provides a blueprint for the modernization of the Army's armor and antiarmor systems. It links the modernization effort to tactics and doctrine and spells out requirements for specific system improvements, such as better protection for the main battle tank and increased lethality of kinetic and chemical energy projectiles. The plan places armor and antiarmor systems in three categories: tank; direct fire anti-tank; and, indirect fire antiarmor systems. In an effort to speed the introduction of improvements, the Army has shortened the development and fielding cycles for major armor and antiarmor systems.

A major program resulting from the A3 effort is the Army's Armored Systems Modernization Plan discussed above. This plan provides for the modernization of priority combat systems in the heavy force into the next century.

Army Intelligence and Electronic Warfare (IEW) Modernization Plan

The Army IEW Modernization Plan provides a single, coherent, force modernization strategy for the development, acquisition, and fielding of intelligence, electronic warfare (EW), and reconnaissance, surveillance, and target acquisition systems (IEW/RSTA). The plan fully supports AirLand Battle doctrine by meeting the commander's intelligence requirements in an accurate, timely, and efficient manner in both NATO and contingency areas. Execution of deep operations requires an IEW approach that supports effective deep targeting. The ability to slow the tempo of enemy operations and affect his decision process hinges on the Army's ability to degrade and destroy the enemy's high-value targets at the time and place of its choosing. The plan supports close operations by providing enhanced signals intelligence and EW support to locate, identify, exploit, disrupt, degrade, or destroy opposing command and control with direct (EW and fires) and indirect (operations security and deception) measures. Without the ability to detect high-value targets, the most sophisticated weapon systems are ineffective. IEW also supports counter-RSTA operations.

Fire Support Modernization Plan

The Fire Support Modernization Plan is the Army's program for modernizing fire support systems, doctrine, training, and force structure. To provide essential fire support for enhanced execution of AirLand Battle and AirLand Battle-Future concepts and to counter the increasing fire support capability of Soviet forces and forces that may be encountered in contingency operations, the plan establishes a fiscally constrained, near- and long-term program for improvements in target acquisition, command and control, weapons, munitions, and sustainment. The objective is an enhanced warfighting capability for close support, counterfire, and deep fires.

Soviet and Warsaw Pact doctrine calls for the massive use of fire support from field artillery cannon, rocket, and missiles, augmented by the fires of attack helicopter and tactical aircraft. In a main attack by Pact first echelon forces, fire support, predominantly field artillery, comprises 75 to 80 percent of the combat power which would be used to achieve the breakthrough that would be exploited by tank forces.

To counter this threat, the Army must develop and field modern fire support and related systems and fund research and development of technology solutions for the future. The modernization plan upgrades the force with priority to units that would be first to fight, fields systems more quickly than the Soviet Union, phases out manpower inefficient systems, and facilitates future modernization in support of both heavy and light forces.

Air Defense Modernization Plan

The Air Defense Modernization Plan is a disciplined approach to providing air defense support to Army forces. It fields the Forward Area Air Defense System (FAADS) to early fighting divisions to protect heavy forces and gives light forces a substantially improved capability to deploy with increased firepower. It supports AirLand Battle in both mature and contingency theaters with corps air defense and a deep fire capability. The plan provides an increased anti-tactical missile capability in Europe and acknowledges the increased missile threat to contingency forces. Technology is focused throughout the plan to provide block improvements to weapon systems; improved identification capabilities; and command, control, and intelligence integrated with joint forces and allies across the battlefield. As in other modernization plans, equipment is distributed by force package to the units that are the first to fight, and older equipment is displaced to lower priority units or retired as it becomes obsolete.

The Air Defense Anti-Tank System shown here will be fielded to defeat the air threat to maneuver forces.

Tactical Wheeled Vehicle Modernization Plan (TWVMP)

The TWVMP, adopted in April 1989, provides for continuous modernization of the Army's TWVs.

The Tactical Wheeled Vehicle Modernization Plan calls for a single vehicle, like the HMMWV shown here, for the light fleet.

This plan focuses Army TWV modernization in accordance with developments in the threat, projected operating environments, advances in technologies, refinements in force structure, and changed fiscal guidance. The objectives of the plan are:

- Reduction of the number of vehicle types by recommending a single vehicle in the light fleet - a High Mobility Multipurpose Wheeled Vehicle (HMMWV) type - and two families of vehicles: the Family of Medium Tactical Vehicles and the Family of Heavy Tactical Vehicles;

- Establishment of key criteria for TWV useful life, procurement objectives, service life extension programs, and retirement. These criteria support decisions for vehicle improvement and replacement and assure needed warfighting capabilities now and in the future; and

- Incorporation of emerging technologies into vehicle design and production to enhance current and future tactical mobility.

Army Command and Control Modernization Plan (C2 Mod Plan)

The C2 Mod Plan describes how the Army's command and control doctrine, training, hardware, and software will be modernized. The plan covers the tactical unit through Army-level interface at joint and strategic levels. Realistically constrained in both funding and force structure, the C2 Mod Plan gives guidance to users on the Army's modernization approach, systems, and fielding. Now in coordination, the initial C2 Mod Plan will be approved for implementation in FY90.

Army Integrated Ammunition Modernization Plan

Without adequate munitions, the Army will not be able to effectively train at the level required to maintain readiness. The Army Integrated Ammunition Modernization Plan, approved in January 1990, provides coordinated conventional ammunition requirements and procurement objectives across the Army for all major combat systems. In FY91, the Army will be able to fully support training requirements and will make progress toward meeting the Defense Planning Guidance procurement objectives.

The Army Integrated Ammunition Modernization Plan seeks to ensure adequate ammunition for training to maintain combat readiness.

Light Forces Modernization Plan (LFMP)

The LFMP is the Army's plan for modernization of its strategically flexible light forces. It crosses all other modernization plans and mission areas in its analysis of light forces. LFMP reviews the requirements placed on light forces. It will be a phased effort. Phase I assesses and fixes the force design and materiel of the existing force structure for the light infantry, airborne, and air assault divisions in FY90-97. Phase II will assess the force structure, design, and materiel in all light forces from FY98 to FY2006.

Material-Handling Equipment Modernization Plan (MHEMP)

The MHEMP will guide the management of material-handling equipment, fleet age, organizational design and structure, doctrine, and training to support the transition from current to future Army MHE. The plan will outline sustainment and improvement of MHE assets for the fleet through the year 2020. The plan, which is in early development, will cover forklifts and cranes in the Army's inventory.

Funding levels - both current and projected - are being developed at this time. Completion of MHEMP is projected for the 3rd Quarter FY90. MHEMP is a vital element in meeting required conventional material-handling capabilities on present and future battlefields.

Soldier Support Modernization Plan (SMP)

The SMP will provide a realistic assessment of what can be fielded and placed in the hands of the Army's soldiers to ensure their optimum combat effectiveness, survivability, and sustainability. The individual soldier is considered a warfighting system like other systems, such as missiles or tanks. There are a multitude of different items under development pertaining to the individual soldier. SMP will pull together all items that the individual soldier in the field must wear, carry, or consume, including clothing and individual equipment, operational rations, individual weapons, and communications equipment. SMP will provide a comprehensive overview of the capabilities and needs of the individual soldier into the 21st century. The plan will be completed in FY90.

Close Air Support (CAS)

The Army's AirLand Battle doctrine specifically recognizes the importance of air activities, in particular close air support, to the success of the land campaign. The Army has worked closely with the Air Force to integrate CAS into the battle, and the Army supports the Air Force's goal of maintaining an effective force for CAS. While current ground-attack designated aircraft, the A-10 and the aging A-7, remain viable in lower intensity threat environments, they have limited effectiveness and survivability in mid to high intensity conflict. Current aircraft also have very limited night and adverse weather capabilities that are required to support AirLand Battle doctrine. The Air Force intends to modernize its CAS fleet with the multi-role A-16 that can perform both CAS and battlefield air interdiction. In the near term, existing A-10 and F-16 aircraft will be equipped with improved target acquisition and avionics capabilities for better CAS performance. The greatly increased attack capability of the A-16, coupled with highly lethal Army attack helicopters, will provide the ground commander unmatched capability to influence both the close and deep battles.

Reserve Components Modernization

The USAR and ARNG play pivotal roles in Army warfighting plans and capabilities. The Army's modernization strategy encompasses all components by modernizing forward-deployed and early-deployed units with new systems and providing later deploying units with the displaced systems. This strategy ensures that RC improvements parallel and complement those in corresponding AC forces.

Major USAR Initiatives

Force modernization continues to align units to the Army of Excellence (AOE) design. A significant number of USAR units will modernize to the AOE organization in the early 1990s.

Significant modernization efforts in the USAR include aviation units. Currently, the USAR has two assault battalions equipped with UH-60 Black Hawk helicopters. The USAR also has three attack battalions equipped with AH-1s, with two of these battalions modernizing with AH-64s and associated UH-60s in FY93-95.

Rear Area Operations Centers (RAOC) were activated in USAREUR during FY89, with additional RAOCs and Rear Tactical Operations Centers scheduled for activation in USAREUR, Korea, and CONUS through FY92. These units plan, coordinate, and direct rear activities for U.S. units in conjunction with host nations.

The USAR contains over 50 percent of the Army's medical support. USAR medical units are fielding minimum essential equipment for training (MEET) sets of Deployable Medical Systems equipment. By FY91, 43 MEET sets and 1 Regional Training Site will be in the USAR. Medical units will begin converting to the Medical Force 2000 configuration in late FY91.

The M1 tank was distributed to the 100th Training Division during FY90. Additional M1 distribution to USAR units will continue into FY93.

Other USAR force modernization efforts include the distribution of newer and improved versions of Army equipment, such as wheeled and tracked vehicles.

The revitalization of USAR facilities is an increasingly critical necessity. USAR centers are operating at 200 percent of capacity. The backlog of construction requirements to enlarge crowded facilities and replace dilapidated ones exceeds $2.3 billion.

Major ARNG Initiatives

Equipment availability and redistribution throughout the ARNG is of extreme importance in the continuing effort to increase ARNG equipment on hand (EOH) readiness. The Equipment Readiness Analysis program, developed by the ARNG, is continuing to pay significant rewards in improving overall Army readiness. Since its inception in 1985, over 525 ARNG units have increased EOH readiness.

The program to eliminate old M48A5 and M60/M60A1 tanks continues so that all ARNG armor units will be equipped with the M1 Abrams or M60A3 thermal sight tanks by the end of FY91. The Abrams, which has been going to roundout units, will be provided to four additional battalions in non-roundout units in FY90.

The Army Aviation Modernization Plan will upgrade or replace aging ARNG aircraft, such as the

The AH-64 Apache gives Reserve Component units significant combat power.

CH-54 and the UH-1M. The plan calls for 12 ARNG AH-64 Apache advanced attack helicopter battalions and for early fielding of the LHX by the ARNG.

The program to upgrade the 2 1/2- and 5-ton gasoline powered trucks in the ARNG inventory will be completed in FY90, easing the maintenance and support requirements for these vehicles. The trucks are being repowered with multifuel engines, a process which started in FY88. The Tactical Wheeled Vehicle Modernization Plan will address future ARNG medium wheeled vehicle requirements as part of the overall Army program.

Dedicated Procurement Program (DPP)

The DPP provides for the purchase of specific items of equipment needed to reduce RC equipment shortages. The scope of equipment procured is diverse, including combat vehicles, tanks, support vehicles, tools, test equipment and facilities, radios, howitzers, aircraft, trailers, fuel handling equipment, and air defense systems.

More than 37,000 pieces of equipment have been purchased through the DPP for USAR units since 1981. These deliveries of new equipment have raised the EOH readiness of over 250 USAR units. The procurement of personnel carriers has allowed approximately 30 ARNG battalions to attain deployable status and to conduct larger unit training exercises. Radios recently delivered caused the fully mission capable rate for the ARNG to increase by 2 percent. Delivery of 5-ton trucks will provide the only significant relief to the desperately short cargo truck posture. Improved tube-launched, optically tracked, wire command-linked guided anti-tank missile (TOW) vehicles and fire support team vehicles for ARNG and USAR units are being procured with DPP to give increased tank-killing and fire-direction capabilities to RC combat units.

Purchases of support and maintenance items from DPP are assisting readiness improvements in combat service support (CSS) units that are seriously short of items to sustain the combat forces. The RC provide the majority of CSS units in the Total Army. Many of these units have unique equipment requirements needed to accomplish their wartime mission. For example, equipment to be distributed through the DPP in FY90 and FY91 include forklifts, tugboats, locomotives, and well drilling equipment.

Testing, Evaluation, and Instrumentation

Realistic and continuous testing and evaluation of the Army's equipment and associated personnel and organizations remains the single best means to ensure and verify a high rate of return on research, development, and other investment dollars. Up-to-date and robust instrumentation is central to the ability to test and evaluate the new technologies being fielded and the capability to determine performance levels and operational suitability. Preservation and upgrade of the Army's test assets and instrumentation base is a high priority. As such, last year, in recognition of the potential adverse impact of inadequately funded instrumentation investment base accounts, more than $100 million was added over the 5-year program. This will be dedicated to acquiring the most urgently needed instrumentation, threat simulators, and targets for accomplishing required testing at lower cost in personnel and funds.

Also last year, the Army established the Test and Evaluation Management Agency (TEMA) to centralize and focus management of test and evaluation resources and policy matters at HQDA level. TEMA, as part of its broad and multi-faceted charter, works closely with the test and evaluation community, DOD, and other Army staff agencies to ensure requirements, resources, and schedules are fully integrated and responsive to Army materiel fielding plans.

In the years ahead, significant challenges - and opportunities - await the Army test and evaluation community. It will have to continue to seek more realistic, "battlefield environment" testing. It will have to adjust to an increasingly active DOD role in test oversight and centralized resourcing of selected multi-service projects, and it will have to cooperate and share test resources to the maximum extent with the other services. The Army stands ready to meet these challenges and to capitalize on the opportunities. Army test and evaluation activities are designed to accomplish the ultimate goal of providing the soldier the best equipment possible.

Chemical Demilitarization

The Army has accomplished several major milestones in the chemical demilitarization program necessary to meet the statutory completion deadline of 1997. In late FY89, the Army awarded a contract to construct the first CONUS chemical disposal facility at Tooele Army Depot, Utah. Forty-two percent of the Nation's chemical stockpile will be destroyed at this plant. One more facility is scheduled for construction in FY91 at Anniston Army Depot, Alabama.

Full-scale disposal operations are scheduled to begin at the Johnston Atoll Chemical Agent Disposal System in mid-1991 upon successful completion of a 16-month operational verification test. The National Academy of Sciences, in its oversight role, will evaluate the results of this test.

In keeping with the Army's primary objective for the chemical demilitarization program - safety - a central training facility is being constructed in Aberdeen, Maryland. The Central Demilitarization Training Facility will provide all plant workers with initial and refresher training in all aspects of destruction.

The Army will continue its emergency response program in FY91. Emergency preparedness and response equipment and training will be provided to each of the eight CONUS chemical storage installations and communities surrounding those sites to ensure rapid and effective responses in the unlikely event of a chemical accident. The Army and the Federal Emergency Management Agency share responsibility for this effort.

The Army in Space

The Soviet Union has deployed a sophisticated constellation of satellites capable of monitoring and targeting deployed U.S. ground, naval, and air forces. These systems have been integrated into Soviet ground force doctrine and operations, posing a serious threat to U.S. forces and making space a key element of the modern battlefield. The Soviets have deployed anti-satellite systems (ASAT) capable of destroying U.S. near-earth orbit satellites, while the United States has no commensurate retaliatory option. The Army, in conjunction with DOD, the Strategic Defense Initiative Organization, and the other services, has initiated an aggressive program to eliminate this significant imbalance by developing space systems capable of protecting and supporting U.S. forces. An ASAT joint program office was formed in March 1989 to develop options (land or sea) for basing an ASAT system. In December 1989, the Defense Acquisition Board selected a land-based concept with the Army as the lead service. The concept calls for a land-based direct ascent missile with satellite location information being provided from the existing Space Surveillance Network. Full-scale flight tests are not expected earlier than 1994.

Space now plays a major role in deterrence and the conduct of joint combat operations. The U.S. Commander-in-Chief, Space Command is charged by the JCS with responsibility for DOD space support to the warfighting CINCs. The U.S. Army Space Command, as a component command, supports the U.S. Space Command by providing operational forces for the ground portion of designated space systems, such as the Defense Satellite Communications System. The TRADOC Army Space Institute, as the combat developer, identifies doctrine, training, organization, and materiel requirements for Army space support operations. U.S. Army Strategic Defense Command (USASDC) provides oversight for the Kinetic Energy Anti-Satellite Joint Program Office, and, as a materiel developer, conducts major research and development efforts.

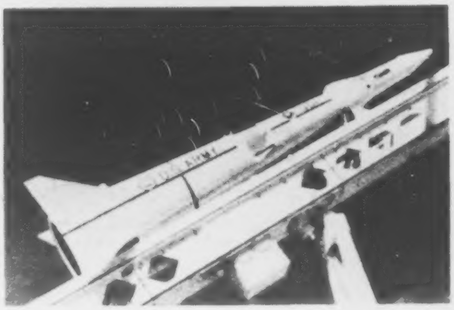
The Army pioneered U.S. exploration in space and is continuing this tradition by pursuing space systems essential for the continued defense of the Nation.

The Army Role in the Strategic Defense Initiative (SDI)

The Army continues to be a key participant in the SDI research and development program. USASDC is responsible for developing a major portion of the technology candidates for the current Strategic Defense System (SDS) Phase I SDI architecture. These Phase I components include ground-based sensors, an exoatmospheric kinetic energy interceptor, and a battle management/command, control, and communications system for managing simulated ballistic missiles.

Follow-on work to the SDS Phase I includes Army efforts to develop a neutral particle beam weapon, a ground-based free electron laser, and the High-Endoatmospheric Defense Interceptor (HEDI). On January 26, 1990, the first HEDI flight test was conducted at White Sands Missile Range, New Mexico.

SDI and associated research are benefiting the Army through a number of "spin-off" technologies. These include a fiber-optic gyro inertial measurement unit (IMU) and the militarized computer module (MCM). The IMU provides a compact, light, and inexpensive precise position/navigation system. The shoe-box sized, portable MCM has the power of six VAX 11/780 computers. The "spin-offs" represent one of the important dividends to the Army from USASDC's research and development efforts.



The High-Endoatmospheric Defense Interceptor has been tested as part of the Army's contribution to the SDI program.

VIII. Leaders

The Army must develop leaders for today and tomorrow.

Leader Development

To fulfill its roles in support of the Nation's military strategy, the Army must develop tactically and technically competent leaders who have confidence in themselves and the confidence of their subordinates. The Army accomplishes this through a leader development process which consists of progressive and sequential education, training, experience, assessment, feedback, and remediation. This process is doctrinally based and is executed through institutional training, operational assignments, and self-development.

The Army's formal school system plays a key role in the development of the Army's leaders, both military (active and reserve) and civilian. Army schools provide progressive and sequential education and training to develop job related technical and tactical proficiency as well as basic leadership skills. Formal leadership assessment programs for developmental purposes are also embedded in most Army institutional training to further assist in the development of competent, confident leaders.

Operational assignments are essential to the development of Army leaders. Within career assignments, the knowledge gained from institutional education and training is put into practice. Moreover, performance assessment, feedback, and leader training provided at the unit level further supplement and reinforce the Army's institutional training efforts.

Institutional training and operational assignments alone cannot ensure that leaders attain and sustain the degree of technical and tactical competency necessary to perform their warfighting mission. All leaders share responsibility for maintaining and increasing their own knowledge and leadership skills throughout their careers. Thus, the leader's continuous independent study, research, and self-assessment solidify the Army leader development process.

Noncommissioned Officers (NCO)

The NCO corps is the backbone of the Army and provides the first line of leadership for the Army's soldiers. Revisions in NCO courses are under way to ensure they produce battle competent NCOs who are technically, tactically, and leader qualified as squad and section leaders or platoon sergeants. NCOs must be able to teach leadership and warfighting skills to their squad and platoon members, evaluate training, and counsel subordinates. Training programs must provide the "how to" skills necessary for NCOs to participate in individual and collective MOS training. The NCO education system (NCOES) consists of the following courses:

- The Primary Leadership Development Course (PLDC) provides prospective NCOs with the skills required to teach and lead at the individual and fire-team level. PLDC is non-MOS specific, with combat arms, combat support, and combat service support soldiers attending the course together. Students apply their newly acquired leadership skills in a simulated combat environment during a 4-day field exercise where students rotate through leadership positions.

The Primary Leadership Development Course develops tactically proficient small-unit leaders.

- The Basic Noncommissioned Officer Course (BNCOC) provides leadership and MOS skills training for squad and section leaders (sergeants and staff sergeants). BNCOC has been modified to increase the amount of training conducted in a hands-on, performance-oriented environment and to incorporate master fitness training techniques, marksmanship "train the trainer" instruction, and shared training, where BNCOC students are placed in leadership positions over initial entry soldiers undergoing MOS training.

- The Advanced Noncommissioned Officers Course (ANCOC) provides platoon sergeants with training for their leadership roles. Instruction is consistent with training given to lieutenants in their respective basic courses. Recent ANCOC enhancements parallel ongoing BNCOC initiatives.

- Functional courses are designed to augment formal NCOES courses by providing training that supports the requirements of specific duties. In addition to such courses as the Operations and Intelligence Course, the Personnel and Logistics Course, and the First Sergeant Course, a new course for command sergeant major designees has been developed.

- The Sergeants Major Course is the capstone NCOES course. It prepares master sergeants for leadership positions from battalion through HQDA level. The course is being revised to emphasize both written and oral communications skills.

Officer Education System

During normal career progression, commissioned officers will be required to attend military schools and courses of instruction, and to complete required correspondence studies. The Army minimum civilian education goal for commissioned officers is an undergraduate degree. Additionally, officers are encouraged to earn a graduate degree. Officer schooling normally is sequential, with successful completion at one level of schooling being a prerequisite for attendance at the next higher level:

- The Military Qualification Standard (MQS) Program standardizes AC and RC precommissioning and company-grade officer development by establishing common tasks that junior officers must know to accomplish their missions. MQS integrates training and education efforts of the officer, the unit commander, and the Army school system.

The Military Qualification Standard Program establishes tasks for company-level officers.

- Officer Advanced Courses prepare captains to lead, train, maintain, and fight their units. Common core and branch specific instruction is included in the 20-week courses. Specialty training modules are available to prepare officers for their next assignments. The modules are 2 to 6 weeks in length and cover details in such functional areas as personnel and logistics.

- Combined Arms and Services Staff School (CAS3) is a demanding 9-week course that trains captains to function as staff officers with the Army in the field. It emphasizes problem analysis, solution development, and staff coordination through an intensive, concentrated course of study. Captains attend on a temporary-duty basis during their 6th to 9th year of service. Projected annual enrollment is over 4,100 students.

- The Command and General Staff Officer Course (CGSOC) is the Army's senior tactical school. CGSOC provides the skills and knowledge required for service as general staff officers and field grade commanders. Training focuses on the operational art of war and combined and joint operations. Responding to documented requirements to increase the annual number of officers attending this training, the Army has increased enrollment in the resident course to 1,280 students. Over 17,000 other officers participate annually in the correspondence program.

- The Advanced Military Studies Program (AMSP) allows 48 selected CGSOC officers to immerse themselves in analysis of the tactical and operational art of war. The program uses studies of historical and contemporary events as well as participation in command post exercises to develop an in-depth understanding of warfare. After graduation, AMSP students are assigned directly to division or corps staffs. The program provides a nucleus of exceptionally trained and skilled operational planners for the Army.

- The Army War College (AWC) prepares officers for senior leadership positions in the Army and related DOD agencies. The course focuses on the development and employment of ground forces. Course content is centered on analyzing the development of national security policy, the formulation of national and theater military strategy, the conduct of combined and joint campaigns, and the mobilization, deployment, and operational employment of combat forces. AWC students are enrolled in one of three programs: (l) approximately 250 students attend the residence course; (2) nearly 100 students receive fellowships with major universities or intragovernmental agencies; (3) another 350 are selected for the 2-year corresponding studies course. Recent initiatives to upgrade the college include increasing the number of faculty, providing additional faculty enhancement

The Advanced Military Studies Program uses a variety of instructional methods to teach the operational level of war.

programs, and scheduling the construction of a strategic wargaming complex.

- The Joint Professional Military Education (JPME) program will begin in FY90. It represents a major step in the Army's efforts to ensure that officers understand the requirements of joint operations - a requisite for success on the modern battlefield. The JPME program includes two phases of joint instruction. Phase I includes completing either an intermediate or senior level school, such as CGSOC or AWC. Beginning in FY90, graduates of the Phase I education become eligible for Phase II schooling. The Phase II instruction will be taught at the restructured Armed Forces Staff College at Norfolk, Virginia. Students will attend one of two courses, currently scheduled for 9 weeks (intermediate level) and 5 weeks (senior level). In FY91, the course length of both courses in Phase II will be increased to 3 months. Initially, some 250 Army officers will be selected annually to attend the courses.

Reserve Components (RC) Leader Training

The RC Noncommissioned Officer Education System (RC-NCOES) provides leader and MOS training. RC-NCOES courses focus on enhancing the skills, knowledge, and attitudes of NCOs at each grade level. RC-NCOES consists of the PLDC for sergeants and selected specialists and corporals, the BNCOC for staff sergeants, and the ANCOC for sergeants first class. Master sergeants and first sergeants are eligible to attend the U.S. Army Sergeants Major Course. Functional courses available to the RC are the First Sergeants Course and the newly developed Senior Sergeants Battle Staff Course.

The RC Officer Education System (RC-OES) provides training in leadership as well as tactical and technical competency. RC officers attend the resident, full-time officer basic course that focuses on basic branch competency training - preparing lieutenants for company level positions. The RC officer advanced course (RC-OAC) is a four-phased program that provides captains with branch-oriented tactical and leadership training. Most RC officers take the non-resident CGSOC. CAS3 is available to some RC officers in a three-phased pilot program to extend this valuable instruction throughout the Army. Recently approved changes to RC-OES will be implemented in a phased, orderly, and equitable manner, in consonance with resourcing requirements. RC-OES is being revamped to make the system more effective and responsive to the RC officers' needs. The new RC-OES will feature a shortened RC-OAC, the addition of an abbreviated version of CAS3, and a restructured CGSOC.

Civilian Training and Development

The Army recognizes that training its civilian workers is as important to readiness as training its soldiers. As integral members of the Total Army team, civilians must receive technical, management, and leader training at appropriate points in their careers.

The Army Civilian Training, Education, and Development System (ACTEDS) provides planned, standardized development of civilian workers. ACTEDS assures a consistently high-quality work force by blending progressive and sequential technical, professional, and leader training and assignments for individuals from entry-level to key high-level positions. ACTEDS includes mandatory and recommended training for on-the-job effectiveness and peak performance for civilians, and competitive professional development for individuals with high potential for advancement.

ACTEDS plans have been completed or are nearing completion for 24 career programs covering some 98,000 professional and administrative civilians. Plans are also being established for the training and development of individuals whose career may ultimately lead to multi-disciplinary positions, such as program executive officers, project managers, installation managers, and directors of information management.

ACTEDS will be expanded to include the remainder of the civilian work force through the Personnel Proponent System discussed in Chapter III.

To support the development of leader skills, the Army has established the Civilian Leadership Training Division at the Center for Army Leadership at Fort Leavenworth, Kansas. The Center provides a complete program of leader training for qualified Army civilians from first-year interns to managers in grades GS/GM 13-15. Through the end of FY89, some 4,000 civilians have attended these courses.

The Army Management Staff College's mission is to educate and train selected Army civilian and military leaders to assume more important leadership and managerial responsibilities. Over 350 GS-12 through GS/GM-14 civilians have been trained by the College since it began operation in FY87.

The Army Acquisition Corps concept, discussed in Chapter IX, provides for civilian training that is parallel and complementary with that given military acquisition specialists. Civilians will receive intermediate and senior service college schooling and, if legislation is approved, advanced civil schooling.

The Defense Officer Personnel Management Act (DOPMA)

DOPMA, enacted in 1980, has proven to be an effective officer management tool. However, over the past several years, the Army has had to adapt to changing requirements in force structure, including congressionally mandated reductions. Legislation currently proposed will provide greater flexibility in military officer personnel management during officer force reductions by modifying certain restrictions involving the retirement or discharge of officers. These legislative proposals include authority to expand the criteria for eligibility for selective early retirement, time-in-grade waivers for retirement eligibility, authority to conduct a reduction-in-force, separation pay for officers, and the authority for the service secretaries to curtail the period of continued service of any officer previously selected for continuation on active duty. Force structure reductions necessitate early approval of DOPMA management flexibility. The current statute plus the proposed legislation will ensure readiness by providing the Army the flexibility needed to establish and sustain a properly aligned force.

Warrant Officer Management Act (WOMA)

The Army's warrant officers represent a tremendous personnel resource as a result of their extensive training and experience. The proposed WOMA will allow the Army to more effectively retain and use the expertise of its warrant officers. It establishes the grade of Chief Warrant Officer (W-5) in the active Army and RC and modernizes the statutes that apply to active duty warrant officers, providing management similar to that of DOPMA governing commissioned officers. The new pay grade is a key element in retaining experienced warrant officers but will be limited to 5 percent of warrant officer strength. The WOMA establishes a single active duty list and promotion system, below-the-zone promotion capability, selective continuation and selective early retirement provisions, and mandatory retirement based on years of active warrant officer service rather than active federal service. Enactment of WOMA will provide the Army the flexibility needed to meet manning requirements for warrant officers.

Reserve Officer Personnel Management Act (ROPMA)

A trained and ready officer corps in each component of the Total Army is essential to provide leadership and direction to the Army of the 1990s and beyond. ROPMA, introduced in Congress on May 3, 1989, updates the laws governing appointment, promotion, separation, and retirement of RC officers and provides greater flexibility in the personnel management and professional development of RC officers.

Under ROPMA, RC officers will be integrated on a Reserve Active Status List, considered for promotion under a best qualified system of selection, and selectively retained or removed from active RC status based upon performance and the needs of the Army. The bill provides for establishment of promotion zones, selection for early promotion, maximum years of service by rank, and authority for standby promotion consideration that exist in the statutes for the Regular Army but not for the RC.

The legislative enhancements contained in ROPMA will enable reserve officer personnel management, training, and career development to mirror Regular Army practices and procedures as established in DOPMA. The bill strengthens the authority of the Army to tailor the RC officer force to be more responsive to mobilization requirements, thereby improving combat readiness. The Army strongly endorses and supports enactment of ROPMA. Its passage will result in more effective leadership for the Army and its sister services well into the next century.

IX. Management Efficiency

The Army is pursuing a wide range of management efficiencies, ranging from relatively simple changes, such as the adoption of bar coding seen here, to major initiatives under the Defense Management Review.

Army Management Review

In July 1989, the Secretary of Defense publicly announced the Defense Management Review to implement the recommendations of the Packard Commission. Among the commission's recommendations were the establishment of a Service Acquisition Executive; appointment of Program Executive Officers; short, clear lines of authority to streamline the acquisition process; and other recommendations to improve the acquisition process. The Army responded by making fundamental changes in its organizational management philosophy across the spectrum of its responsibilities. These initiatives have already allowed the Army to enhance its overall management system and to more efficiently manage its total resources, with special emphasis on acquisition and logistics activities.

The Army also established a Management Review Task Force to examine and provide recommendations for decision to the Army leadership in four critical areas: personnel and organizations; defense planning; acquisition practices; and ways to improve the acquisition process. This comprehensive examination resulted in the Army's resolve to further strengthen its acquisition process through three major actions: establishing an Army Acquisition Corps; streamlining acquisition management; and implementing a number of management initiatives.

The Army Acquisition Corps is the Army's program for addressing that portion of the Defense Management Review concerning the development of a dedicated corps of acquisition specialists. The program integrates military and civilian personnel into one acquisition corps, and it establishes specialized training and development requirements for approximately 1,350 acquisition positions. These "critical positions" encompass military and civilian jobs in program executive offices, program management offices, and selected support and staff positions in support commands and headquarters.

For the military, officers will enter the Army Acquisition Corps at their eighth year of service. Fully funded advanced civil schooling will be offered to all military participants for education in scientific, technical, and managerial disciplines. Selection for military schooling will remain unchanged. Officers will be developed through acquisition assignments. Promotion policy and guidance is structured to ensure the potential for advancement from company grade to general officer rank.

For civilians, the corps will draw from existing civilian career programs at grades GS-13 and above. These programs already provide much of the specialized training and experience required for entry into the acquisition corps. As necessary, individuals will be further developed through schooling and assignments. Legislation is recommended to permit paying for advanced civil schooling for civilian personnel, identical to that provided for the military. The program will also provide for promotion opportunity from GS-13 through the Senior Executive Service.

The Army estimates it will save over $10 billion during the period FY91 to FY95 through management initiatives, beginning with approximately $750 million in savings in FY91. Included in the 5-year savings plan are the reduction of 10,245 civilian and 793 military positions and the conversion of 5,000 military slots to civilian positions. The net Army reduction is 6,126 military and 5,171 civilian personnel. The initiatives will allow for more efficient acquisition and logistics management procedures.

One of the initiatives is the consolidation of the activities of the Army Materiel Command (AMC) to achieve greater economy. Some of the major actions in this effort include:

- Reducing Headquarters, AMC;

- Eliminating some functions under the AMC Management Engineering Activity; and

- Reducing Headquarters, Depot Systems Command, by having other activities within AMC absorb some of its functions;

- Consolidating several logistics support activities into a single organization to enhance management flexibility and to reduce administrative support personnel and expenses;

- Further centralizing test, measurement, and diagnostic equipment activities;

- Changes to contract administration services at Army ammunition plants.

Activities of the U.S. Army Information Systems Command will be consolidated, and additional savings will be generated by actions aimed at reducing the logistics and administrative costs of Army activities, such as cutting transportation expenses and paring inventories. DOD has established seven study groups to review further consolidations or realignment of support functions. A number of Army organizations will be affected by these studies, including supply and maintenance depots and research and development laboratories.

The Army has taken a comprehensive, multifaceted approach to the Defense Management Review's directives. The results will be better Army management, drawing together a number of programs and approaches to make profound near-term and long-term systemic changes. Based on these efforts, the Army's total program will yield substantial savings through improved efficiencies and organizations. The Army realizes that embedding excellence is a continuous process. Sustaining that effort will require long-term commitment.

Total Quality Management (TQM)

The Army has embraced the DOD TQM initiative. TQM is an approach to management that affects the way people do their jobs. The TQM approach is to manage the processes which govern the quality of goods and services. By improving these processes, the effectiveness and performance of everyone in the organization is enhanced, resulting in better products and services.

Widespread training is being conducted in many organizations, accompanied by the development of organizational implementation plans. An Army Science Board Ad Hoc Subgroup on TQM is reviewing TQM implementation and will make recommendations on how to increase its effectiveness and efficiency. TQM promises long-term quality and productivity improvements and more effective support to the soldier in the field.

Sustainment Programs

The Army pursues management efficiencies across all of its functional areas of responsibility. Sustainment programs seek to improve the effectiveness and efficiency of the Army's support systems.

Logistics Unit Productivity Systems (LUPS)

LUPS is a unit-oriented effort to raise productivity while decreasing force structure. LUPS examines selected combat service support organizational documents to validate requirements for each position and piece of equipment. The examination identifies labor intensive tasks that can be done by modern equipment. Many units have increased their capability dramatically by converting from manpower-intensive to equipment-intensive units.

Most LUPS units operate at corps and above. They provide area and backup support to divisions. Their ability to provide support is dependent on receiving new and additional equipment to offset reduced force structure. Unit conversions to new organizations occur 2 years after equipment is procured to allow time for equipment delivery. Examples of LUPS equipment include larger, more mobile fork lifts and larger fuel tankers.

Nontactical Vehicles (NTV)

The Army's NTV fleet consists of 80,600 commercial vehicles used to support training, security, intelligence gathering, recruiting, medical activities, facilities maintenance, personal protection, and worldwide installation support missions. The use of NTVs in performing administrative transportation functions is more cost effective than using tactical vehicles that are more expensive to procure and maintain. Due to continual underfunding, over 35 percent of the Army-owned NTV fleet is overage, overmileage, and needs to be replaced. An older fleet increases maintenance costs, commercial leasing requirements, fuel consumption, and the use of tactical vehicles.

In FY86, the Army expanded its conversion of approximately 51,500 NTV in CONUS to more cost-effective General Services Administration (GSA) ownership. By the end of FY89, nearly 32,000 NTV had been converted to GSA ownership. The conversion of the Army's fleet has reduced operation and maintenance costs an average of 3 percent per year. By FY92, the Army will meet 60 percent of its worldwide NTV requirements with GSA vehicles.

The FY90 NTV budget of $15 million and the FY91 budget of $20 million fall short of the $64 million and $48 million needed in FY90 and FY91 respectively to procure overseas vehicle replacements. The Army requires $29.6 million annually from FY92 through FY97 to maintain an average fleet age of 10 years.

Commercial Travel Program

The Army initiated a program for the competitive procurement of official and leisure travel services in FY86. The program objective is effective, economical travel for all members of the Army community. Guaranteed lowest available fares for official and unofficial travel, one stop shopping for all travel services (tickets, hotel, car rental), and the return of concession fees paid on unofficial travel sales to the Army's morale, welfare, and recreation fund are some of the benefits derived from this innovative program. During the first year, rebates on unofficial travel sales returned $1 million to installation morale, welfare, and recreation funds.

When the Army awarded the first contract in FY88 for travel services for the Fifth Army region, valued at $86.5 million, it was the largest travel service contract ever awarded to a single travel agency.

In 1989, the Army approved the charter for a project office for commercial travel services and delegated the mission and function to the Military Traffic Management Command. This project office has been established for the centralized procurement of all travel services, both official and unofficial, and for the centralized management of all contracted travel services worldwide. The next regional contract will be awarded during FY90 and will, for the first time, seek a rebate on both official and leisure travel.

When fully implemented, the commercial travel program will result in worldwide contracted services for all Army activities and ensure the most effective and economical travel for all members of the Army community.

Revitalization of Army Depots for the Year 2000 (READY 2000)

The primary mission of the U.S. Army Depot System Command (DESCOM) is to support the Nation's armed forces. DESCOM is the direct supply link to Army units stationed around the world and is responsible for maintaining and repairing major Army equipment and systems. Changes in technologies and doctrines are making DESCOM's facilities and equipment outdated. The U.S. Army depot system must modernize its obsolete equipment and facilities to effectively support combat forces into the next century. Most of the system is operating with Vietnam-era equipment in World War II-vintage facilities.

To meet technological challenges and to keep current with its customers, DESCOM has initiated a modernization program for its supply and maintenance depots called the READY 2000 program. Many new technologies are now available to help the depot system improve its efficiency and service. These include information processing and advanced computer systems; robotics; expert systems; automated storage and retrieval systems; and automated, flexible manufacturing systems for more efficient overhaul and repair of equipment.

Automation Programs

The Army is currently involved in a major revamping of its automation functions and processes in a number of areas. In logistics, by using an umbrella approach, various retail and wholesale systems are being automated, which will save both time and money as manual processes are replaced and better management tools are provided. The overall concept, known as the Strategic Logistics System, will integrate logistics functions from unit to wholesale level in a comprehensive and responsive logistics automation architecture. Automation programs to increase efficiency and enhance capabilities are also being undertaken in other areas, such as personnel management, procurement, the sustaining base, and RC mobilization and administration.

Transportation

The Army is developing automated transportation systems that will support a broad range of functions, to include transportation planning, movements management, terminal operations, and in-transit cargo visibility.

In the near term (FY90 and FY91), systems will be fielded that will provide rapid deployment capability, improve movement command and control, and interface with transportation operating commands, the military services, and the Joint Deployment System. These transportation systems will provide accurate and timely critical unit deployment data to the Army and the joint deployment community.

The following actions are scheduled for FY90 and FY91:

- Begin development of the Strategic Deployment Transportation Analysis system;

- Achieve milestone approvals for the Strategic Deployment System and the CONUS Freight Management System;

The Army is automating a broad range of activities to improve management of transportation activities.

- Develop and implement a prototype of the Worldwide Port System;

- Field the Department of the Army Movements Management System-Redesign Phase 1 to Europe and Korea;

- Complete fielding of the Transportation Coordinator Automated Command and Control Information System (TC ACCIS) to 48 CONUS mobilization sites;

- Implement plans to integrate the Automated Air Load Planning System into TC ACCIS;

- Demonstrate the concept prototype in-transit cargo visibility system.

Identification Technology

Logistics Applications of Automated Marking and Reading Symbols (LOGMARS) automates data collection and entry by implementing bar code technology in a multitude of Army logistics systems. LOGMARS is a productivity enhancing technology that has been extensively implemented in both the tactical Army and the sustaining base. Funding of the program is more than offset by savings the technology generates.

Microcircuit technology in logistics applications (MITLA) is a generic term for a family of small, rugged, portable memory/logic microcircuit devices which receive, store, and transmit data in automated form. MITLA is complementary to LOGMARS but offers a significant extension of capability. The technology has been successfully piloted in supply, maintenance, and transportation applications. Major efforts are underway to develop a military standard for the technology and to integrate it into the Army logistics system.

Tactical Army Combat Service Support Computer System (TACCS)

The Army is fielding the TACCS to provide automated logistics applications for CSS operations. TACCS is the major automated hardware system used from battalion through echelons above corps to support logistics functions. To date, 9,364 TACCS systems have been fielded to support the AC and RC with the following logistics processes:

- Standard Army Retail Supply System for management of spares and repair parts;

- Standard Army Maintenance System for maintenance management functions;

- Standard Property Book System-Redesign for management of major end items;

- Standard Army Ammunition System for ammunition management; and

- Department of the Army Movements Management System-Redesign for transportation and distribution management.

Long-range plans for TACCS include transition from the current proprietary hardware to Army common hardware and software in the mid-1990s.

Procurement and Acquisition

The Integrated Procurement System (IPS) automates the acquisition process at the AMC and its major subordinate commands, providing automation support to the wholesale procurement process. The current manual procedures will be converted into an electronic processing and contracting system using pre-formatted word processing and electronic mail. IPS is expected to pay for itself through savings generated in its first 5 years of operation. IPS is scheduled for initial fielding in the 1st Quarter FY91 with full operational capability in the 1st Quarter FY93.

The Computer Aided Acquisition and Logistics Support (CALS) system is a DOD-sponsored effort that provides digitized access to technical data for DOD and government contractors worldwide. Concept development of CALS was begun in FY90 with the awarding of a development contract to four defense contractors. As CALS development is refined, the contractors will be reduced in phases until one contractor remains whose system will best optimize and balance risks and advantages. Initial fielding of CALS is scheduled for FY93 and full operational capability in FY98.

Personnel Automation Systems

A critical step in maintaining a capable deterrent force is to get the right person with the right skills in the right job at the right time during peacetime, mobilization, deployment, and war. To improve its ability to do this, the Army is modernizing its personnel automation systems at all levels of command. The Total Army Personnel System Modernization Plan, Personnel Systems Architecture, and system development activities are directed at providing support to approved Army doctrine, plans, and procedures using flexible, affordable, reliable, and simple processes. The Army is pursuing several major initiatives to make personnel systems more efficient and effective.

- The Total Army Personnel Data Base is a decentralized relational database using standardized personnel data to support the personnel management information needs of multiple systems and applications of the AC and RC.

- The Standard Installation Division Personnel System (SIDPERS-3) is the active Army personnel system. It will provide improved personnel service to the soldier in the field into the 21st Century.

- The Army has adopted the Air Force Civilian Personnel System for Army use. The Army Civilian Personnel System (ACPERS), now being fielded, will provide a standardized automated civilian personnel management system to all Army civilian personnel offices. ACPERS replaces three separate automated systems.

Sustaining Base Programs

Sustaining base programs provide automation assistance to the vital day-to-day functions that support tactical, strategic, and joint missions. The Army is committed to ensuring that the sustaining base is upgraded or modified, and standardized where appropriate, to foster more efficient and effective operations. The Army Standard Information Management System (ASIMS) provides an information processing utility which is designed to accommodate the sustaining base information management needs of Army major commands, posts, camps, and stations worldwide. The ASIMS supports many critical functions, including the Army's standard military and civilian pay systems and the financial accounting systems. In an initiative to standardize and facilitate processing of installation-level functions, the Army has implemented the Installation Support Modules (ISM) program. ISM will furnish installations with a common suite of applications for like functions, such as vehicle registration, postal locators, and central issue facilities.

Reserve Component Automation System (RCAS)

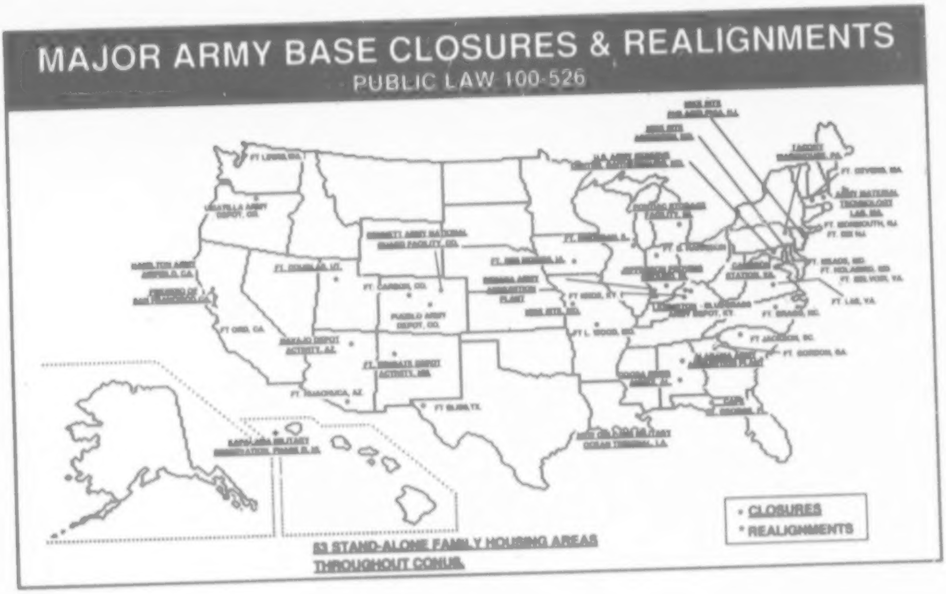
RCAS will be a state-of-the-art automated information system that will improve mobilization planning, mobilization execution, and unit administration. The information to feed these functions will come from automating the daily administrative activities of RC units. Key mission needs to be satisfied by RCAS include rapid development and update of mobilization planning documents; improvement of wartime surge capability at mobilization stations; automated personnel management; improved ability to monitor equipment status and execute other logistics functions; enhancements in preparing budgets and controlling fund expenditures; more timely pay; and on-line entry of information into an integrated system. Each ARNG and USAR unit will receive the hardware, software, and telecommunications to transmit information within the appropriate chain of command and to mobilization stations.

The RCAS program is now in the design phase of acquisition. Fielding of the RCAS will begin in FY92.

Base Realignments and Closures

The Army has consistently supported the concept of closing unneeded bases and consolidating operations to generate long-term financial savings and operational efficiencies. The base realignments and closures that will begin in FY90 start the process toward that goal.

On May 3, 1988, the Secretary of Defense chartered an independent commission to examine methods by which DOD could eliminate excess property and reduce


MAJOR ARMY BASE CLOSURES & REALIGNMENTS

PUBLIC LAW 100-526

FT. LEWIS, WA
UMATILLA ARMY DEPOT, OR
FT. ORD, CA
FT. DOUGLAS, UT
FT. CARSON, CO
PUEBLO ARMY DEPOT, CO
NAVAJO DEPOT ACTIVITY, AZ
FT. HUACHUCA, AZ
FT. BLISS, TX
FT. SHERIDAN, IL
FT. L. WOOD, MO
CAMERON STATION, VA
LEXINGTON - BLUEGRASS ARMY DEPOT, KY
FT. DEVENS, MA
ARMY MATERIAL TECHNOLOGY LAB, MA
FT. MONMOUTH, NJ
FT. DIX NJ
FT. MEADE, MD
FT. HOLABIRD, MD
FT. LEE, VA
FT. BRAGG, NC
FT. JACKSON, SC
FT. GORDON, GA
53 STAND-ALONE FAMILY HOUSING AREAS THROUGHOUT CONUS
• CLOSURES
* REALIGNMENTS

base operations costs. The commission developed a process to evaluate all DOD CONUS bases in a systematic, apolitical manner and then used the process to review the services' basing structure. In support of the commission, the Army formed a task force to supply data and to provide analytic support during the review process. The commission retained all discretion as to which bases it would recommend to the Secretary for realignment or closure. On December 29, 1988, the Commission delivered its report to the Secretary of Defense who, after review by the military departments, accepted the recommendations in total and forwarded the report to Congress.

Over 120 Army installations will be affected by the commission's recommendations. Closures and realignments must be completed by September 30, 1995. As a result of this program, the Army expects to benefit from consolidation of operations, generate savings in the base operations accounts, and reduce its current installation management burden.

Based on its need to reduce the force structure, the Army proposes closing several installations over the next 5 years in addition to those recommended by the Secretary of Defense's Commission on Base Realignment and Closure. During FY90/91 the Army proposes the following major reductions and realignments:

- A reduction of approximately 12,000 soldiers and 450 civilians associated with the inactivation of the 2d Armored Division at Fort Hood, Texas;

- A reduction of approximately 3,000 soldiers and 200 civilians at Fort Knox, Kentucky, in connection with the changes to the 194th Armored Brigade;

- A reduction of approximately 8,500 soldiers connected with the downsizing the 9th Motorized Division at Fort Lewis, Washington;

- Layaway of the Mississippi Army Ammunition Plant; and

- Inactivation of 1 of the 2 Criminal Investigation Command regions within CONUS, a reduction of approximately 100 soldiers and 90 civilians.

If approved, these proposals, as well as others planned for the period FY92-95, will impact the Army's basing structure. Reductions in force structure require the concurrent downsizing of the Army's installation infrastructure to ensure efficient and cost effective support of the force as it evolves. The Army has begun the preliminary studies and planning necessary to support the execution of these proposals.

X. Resources

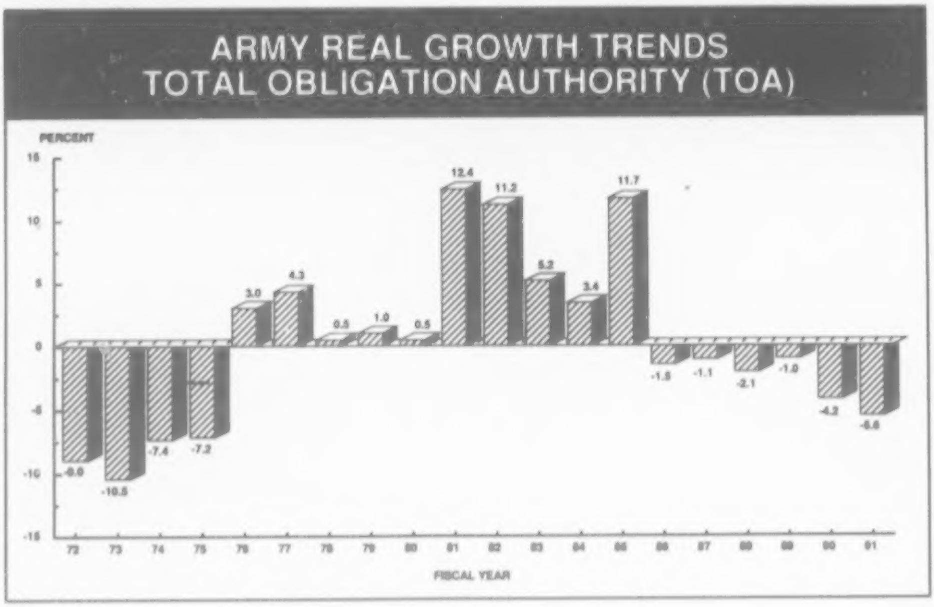
Status of the FY90 Budget

The Army is prepared to fulfill its worldwide role in the future just as it has done in the past: U.S. airborne troops march through Ste. Mere Eglise, Normandy, France, to celebrate the 45th Anniversary of D Day.

The FY90 Department of the Army budget was not finalized until the end of the 1st Quarter FY90. The final budget reconciliation, including 130 days of Gramm-Rudman-Hollings sequestration that reduced the Army's allocation by $552.5 million, provided the Army with $77.7 billion for FY90. This is $1.2 billion below the amount requested in the amended budget submitted to Congress in April 1989.

The major impact of these reductions came in the operation and maintenance program and Active, Reserve Components, and civilian budgeted end strengths. Active end strength will be reduced by 20,000, Reserve Components by 19,500 (USAR-9,500, ARNG-10,000), and civilian by 15,500 in FY90. By cutting back on accessions and reducing force structure, the Army expects to be able to avoid the disruptive effects of forced losses such as reductions-in-force (RIF) and involuntary "early outs." The Army's AC end strength by the end of FY90 will be 744,169. This will be the smallest Army since before the Korean War. The reduction to the civilian work force will be accomplished mainly through normal attrition.

The FY90 budget marked the fifth consecutive year of negative real growth in the Army budget.

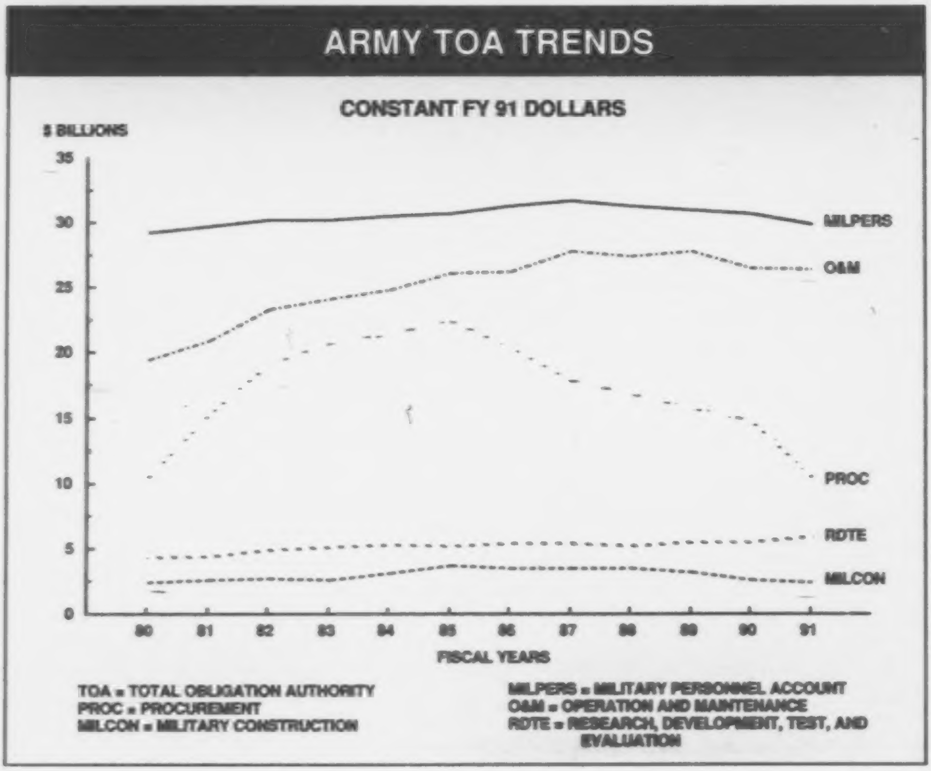


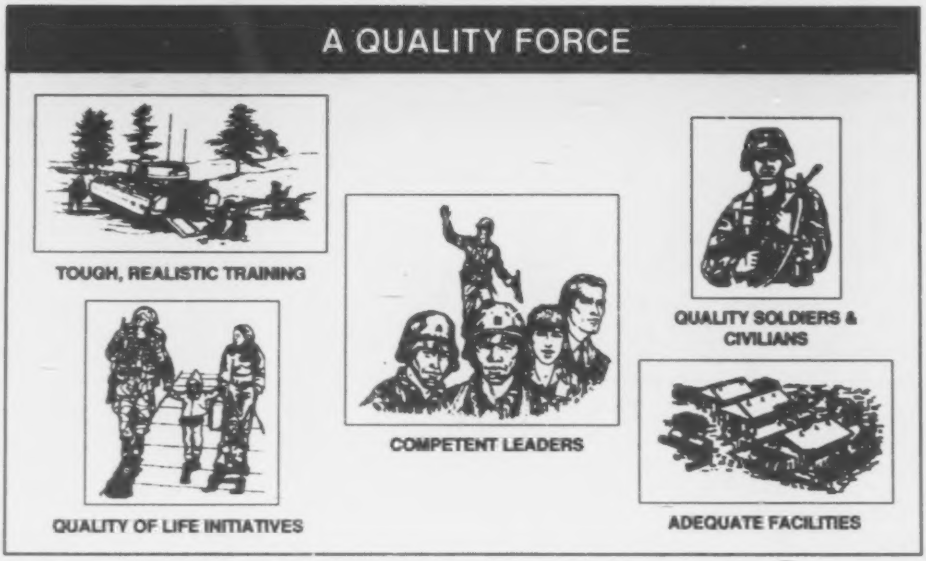
FY91 Budget Overview

The FY91 budget requests $76.1 billion in total obligation authority (TOA), which is a $6.1 billion decrease from the April 1989 FY91 Amended Budget Submission. This is a negative 5.6 percent change in TOA real growth from FY90, continuing the decline for a sixth year. The FY91 Budget represents the first step in the planned transition to the versatile, deployable, and lethal Army of 1995. It should be viewed in this light. The preparation of this budget and the decisions on the FY90 sequestration adjustments were guided by the threat, the vision of the future, and the six imperatives. It is the culmination of extremely difficult decisions taken by the Army leadership to deal with, first, a changing threat and, then, with the challenge facing today's Army - to reshape the force in a climate of declining resources while maintaining a full range of capabilities in support of the national military strategy. The FY91 budget is the cornerstone of the Army's efforts both to provide the Nation with the force it will require in 1995 and to ensure that it is adequately protected during the potentially volatile transition period.

This budget reflects the application of the six imperatives to the difficult process of setting budget priorities. It has been structured to protect the quality of the Total Force and future modernization while ensuring an appropriate mix of adequately equipped and well-trained heavy, light, and special operations forces in the Active and Reserve Components. It also generally continues the trends of the past several years in the major budget accounts - sharp reductions to the procurement account, slight reductions to the operation and maintenance, military personnel, and military construction accounts and slight increases in the research and development accounts.

Of necessity, to fulfill the requirements of the imperatives within existing and projected fiscal constraints, the Army must get smaller. The FY91 budget, as submitted, permits the reduction of the force in a manner consistent with national security requirements and with obligations to take care of its soldiers and civilians as it reshapes a professional, volunteer force.




A QUALITY FORCE
TOUGH, REALISTIC TRAINING
QUALITY OF LIFE INITIATIVES
COMPETENT LEADERS
QUALITY SOLDIERS & CIVILIANS
ADEQUATE FACILITIES

Quality

The Army has continued to protect the programs that allow it to achieve its top priority - to attract and retain high-quality soldiers and civilians. This challenge requires that the Army offer not only pay, promotions, and working and living conditions comparable to the civilian sector, but a meaningful and challenging training environment that both meets soldiers' expectations and develops tactically and technically competent leaders for the future. To this end, the budget contains a 3.5 percent military and civilian pay raise, maintains the pace of officer and enlisted promotions, and retains essential advertising funding and bonuses for critical MOSs. The Army is increasing funding for child care, morale support activities, and relocation assistance programs to help military families during permanent change of station moves. The FY91 budget also funds a variety of other quality of life programs, to include medical programs for soldiers and their families at levels consistent with current requirements, and increased household goods shipment entitlements for single personnel overseas. It lacks sufficient funding for the increasing repair and renovation requirements of the Army's aging facilities, a generic problem previously discussed.

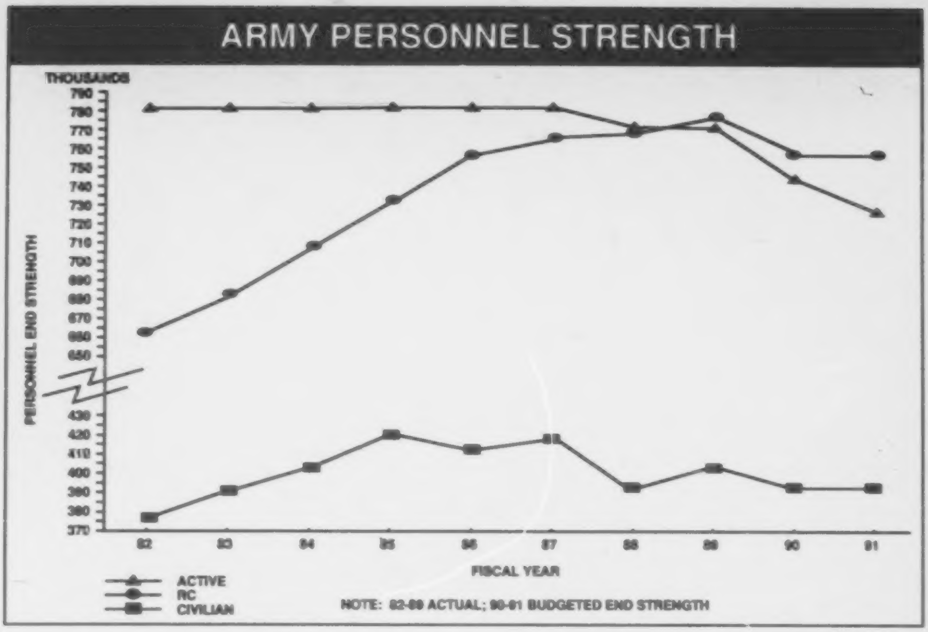
Doctrine

While there are few direct budgetary impacts on the Army's AirLand Battle doctrine, this doctrine provides the basic rationale for designing and structuring forces, determining materiel needs, stimulating future research and development, conducting training, and developing future leaders. As it evolves to reflect future trends in threat and warfighting needs, it also provides the foundation for the Army's disciplined evolution to the future.

Force Structure

Potential conventional arms control reductions and related changes to the heavy threat in Europe, the requirement to address the evolving multiple and diverse threats to U.S. vital interests outside of Europe, and dramatic near-term resource reductions have led the Army to reduce the size of the total force to protect the quality and the readiness of both the transitional force and the Army of 1995. The FY91 budget continues the drawdown trend in active Army end strength. It provides for a fully manned, though smaller, force. It calls for 16,200 fewer AC soldiers and 2,500 fewer civilians. RC end strength will continue at FY90 levels pending completion of the congressionally directed Total Force Policy study in December.

The Army remains committed to executing reductions in a manner that preserves the quality of the residual force; that minimizes the turbulence and personal impacts to its professional, volunteer force; and that maintains the appropriate mix of heavy, light, and special operations forces in the Active and Reserve Components. These initial reductions set the stage for the transition to the Army of 1995.



Training and Leader Development

The FY91 budget also sustains the Army's requirements for maintaining a trained and ready force that can deploy on short notice to confront diverse worldwide threats. It protects air and ground OPTEMPO in both the Active and Reserve Components, enhances the quality of training at the Combat Training Centers (CTCs), funds joint exercises at FY90 levels, and sufficiently funds depot level end-item maintenance to support training. It also supports efficiencies in training through increased use of simulations and training simulators, protects essential military and civilian leader development training, and, through the sustained OPTEMPO and CTC programs, supports the tactical development of the next generation of Army leaders.

Modernization

The modernization strategy is based on accepting some risk over the near- and mid-term to protect future modernization and the technology base, and on modernizing only the most essential warfighting capabilities in the near term. The latter element has led to the decision to terminate unaffordable programs rather than to stretch them out inefficiently. Consequently, the pace of modernization has been slowed and some 15 major programs have been terminated. For example, the FY91 budget completes M1A1 Abrams tank production and terminates production of the M1A2, an enhanced version of the M1A1, on completion of "prove-out" of the production line.

The reductions to the Army's budget requests have not been without cost. The cumulative effects of half a decade of declining resources in the Army budget, coupled with the rising costs of sustaining its infrastructure, are being felt across the Army. Clearly, the Nation will incur some additional risk as the Army loses warfighting capabilities as a result of these continuing contradictory pressures. The acceptance of this increase in risk has been made possible by the reduced threat presented by the Warsaw Pact in Europe and the general scaling back of the Soviet threat worldwide. The level of risk has been minimized by the Army's active and forward-looking efforts to shape the Army of the future and its adherence to the six fundamental imperatives that have guided its development to where it is today - the best peacetime Army in the history of the Nation.

The Army's greatest resource: its people.

Acronyms

A3
armor-antiarmor
AAFES
Army and Air Force Exchange Service
AAMP
Army Aviation Modernization Plan
AATS
Army Aviation Training Sites
AC
Active Component
ACF
Army College Fund
ACOE
Army Communities of Excellence
ACPERS
Army Civilian Personnel System
ACTEDS
Army Civilian Training, Education, and Development System
AFFS
Army Field Feeding System
AFQT
Armed Forces Qualification Test
AIAP
Army International Activities Plan
ALOC
air line of communications
ALRTP
Army Long Range Training Plan
AMC
Army Materiel Command
AMSP
Advanced Military Studies Program
ANCOC
Advanced Noncommissioned Officer Course
AOE
Army of Excellence
ARNG
Army National Guard
ASAT
anti-satellite systems
ASIMS
Army Standard Information Management System
ASL
authorized stockage list
ASM
Armored Systems Modernization Plan
ATBMP
Army Technology Base Master Plan
AWC
Army War College
BBS
Brigade/Battalion Simulation
BCTP
Battle Command Training Program
BMAR
backlog of maintenance and repair
BNCOC
Basic Noncommissioned Officer Course
BOSS
Better Opportunities for Single Soldiers
BUTP
base unit training program

C^2
command and control
CA
civil affairs
CALS
Computer Aided Acquisition and Logistics Support
CAS
close air support
CAS3
Combined Arms and Services Staff School
CFE
Conventional Armed Forces in Europe
CGSOC
Command and General Staff Officer Course
CHAMPUS
Civilian Health and Medical Program of the Uniformed Services
CINC
Commander-in-Chief
CMO
civil-military operations
CMTC
Combat Maneuver Training Center
CONUS
Continental United States
CSS/TSS
Combat Service Support/Training Support System
CTC
combat training centers
CW
chemical weapons

DBIT
Deep Battle Integration Trainer
DESCOM
Depot System Command
DLR
depot level repairable
DOD
Department of Defense
DOPMA
Defense Officer Personnel Management Act

DPP
Dedicated Procurement Program

EAD
echelons above division
EOH
equipment on hand

FAADS
Forward Area Air Defense System
FAMSIM
Family of Simulations
FAO
foreign area officer
FAPI
Force Alignment Plan I
FP
force protection
FRG
Federal Republic of Germany
FTS
full-time support program
FWS
Flight Weapons Simulator

GSA
General Services Administration
GS/GM
General Schedule/General Merit

HEDI
High-Endoatmospheric Defense Interceptor
HIV
Human Immuno-deficiency Virus
HMMWV
High Mobility Multipurpose Wheeled Vehicle
HOIS
Hostile Intelligence Services
HQDA
Headquarters, Department of the Army
HTTC
High Technology Training Center

IEW
intelligence and electronic warfare
IMU
inertial measurement unit
INF
Intermediate-Range Nuclear Forces
IPS
Integrated Procurement System
IRR
Individual Ready Reserve
ISM
Installation Support Modules
ITRS
Integrated Training Resource Strategy

JCS
Joint Chiefs of Staff
JPME
Joint Professional Military Education
JRTC
Joint Readiness Training Center

LFMP
Light Forces Modernization Plan
LHX
light helicopter experimental
LIC
low intensity conflict
LOGMARS
Logistics Applications of Automated Marking and Reading Symbols
LUPS
Logistics Unit Productivity Systems

MANPRINT
Manpower and Personnel Integration
MCB
Managing the Civilian Work Force to Budget
MCM
militarized computer module
MEET
minimum essential equipment for training
MF2K
Medical Force 2000
MITLA
microcircuit technology in logistics applications
MKT
Mobile Kitchen Trailer
MHEMP
Material Handling Equipment Modernization Plan
MLRS
Multiple Launch Rocket System
MOS
military occupational specialty
MOSQ
military occupational specialty qualification
MQS
military qualification standard
MTM/D
million ton miles per day
MWR
morale, welfare, and recreation

NAF
nonappropriated fund
NATO
North Atlantic Treaty Organization
NCO
noncommissioned officer

NCOES
Noncommissioned Officer Education System
NTC
National Training Center
NTV
nontactical vehicles

ODT
overseas deployment training
OPTEMPO
operating tempo

PLDC
Primary Leadership Development Course
POM
Program Objective Memorandum
POMCUS
Pre-positioning of Materiel Configured to Unit Sets
PRIMUS
Primary Care of the Uniformed Services
PSYOP
psychological operations

RAOC
Rear Area Operations Centers
RC
Reserve Components
RCAS
Reserve Component Automation System
RC-OES
Reserve Components Officer Education System
RC TDAP
Reserve Component Training Development Action Plan
READY 2000
Revitalization of Army Depots for the Year 2000
REP
REFORGER Enhancement Program
RIF
reduction-in-force
ROPMA
Reserve Officer Personnel Management Act
RPMA
real property maintenance activities
RSTA
reconnaissance, surveillance, and target acquisition
RTS-MAINT
Regional Training Site - Maintenance
RTS-MED
Regional Training Site - Medical

SAFER
Security and Force Protection Enhancement Resources
SDI
strategic defense initiative
SDS
strategic defense system
SF
special forces
SIDPERS-3
Standard Installation Division Personnel System
SMP
Soldier Support Modernization Plan
SOA
special operations aircraft
SOF
special operations forces
SORD
Soldier Oriented Research and Development

TACCS
Tactical Army Combat Service Support Computer System
TBIS
Technology Base Investment Strategy
TC ACCIS
Transportation Coordinator Automated Command and Control Information System
TDSS
training devices, simulators, and simulations
TEMA
Test and Evaluation Management Agency
TOA
total obligation authority
TOW
tube-launched, optically tracked, wire command-linked guided (anti-tank missile)
TQM
Total Quality Management
TRADOC
Training and Doctrine Command
TWVMP
Tactical Wheeled Vehicle Modernization Plan

USAR
U.S. Army Reserve
USAREUR
U.S. Army Europe
USASDC
U.S. Army Strategic Defense Command

WHNS
Wartime Host Nation Support
WOMA
Warrant Officer Management Act

ARMY FUNDAMENTAL IMPERATIVES

Quality

Attract and retain high quality soldiers and civilians

Doctrine

Maintain forward-looking warfighting doctrine

Force Structure

Maintain the force size and mix of heavy, light, and special operations units required by national strategy

Training

Conduct tough, realistic training

Modernization

Modernize continuously to ensure Army forces have needed warfighting capabilities

Leader Development

Develop competent, confident leaders

ARMY STRATEGIC ROLES

Provide forward-deployed ground forces for deterrence, sustained land combat, and conflict termination in areas of vital interest

Maintain combat-ready ground forces -- heavy, light, and special operations -- in CONUS for immediate contingencies worldwide

Maintain forces in CONUS able to reinforce forward-deployed and contingency forces

Participate in disaster relief, emergency assistance, and interdiction of illicit drug traffic

Provide peacetime support to allied and friendly nations through peacekeeping, security assistance, and Army-to-Army initiatives

STATEMENT OF LT. GEN. DONALD S. PIHL

Senator **INOUYE**. Thank you very much, General. Thank you very much, Mr. Secretary. Before we proceed with questions, since this may be the last opportunity that General Pihl may have to testify before this committee, I would like to offer the mike to you, sir.

General **PIHL**. Thank you, Mr. Chairman. It is always a privilege to appear before this committee. We thank you for the support you have given us and for me personally over these past 11 years. Thank you very much.

Senator **INOUYE**. All right. If we may, I would like to get into the nitty gritty of what we are dealing with on this committee.

Senator Stevens, do you have an opening statement?

Senator **STEVENS**. Mr. Chairman, I do apologize for being late. The subject matter of another hearing was earthquakes and volcanos, which struck a chord in my mind that I ought to stop by there first. But I am delighted to be here for this presentation and will have some questions.

Senator **INOUYE**. I should have been there also, I think. [Laughter.]

ARMORED GUN SYSTEM/REPLACEMENT OF SHERIDAN TANK

General Vuono, our field commander in Panama, General Stiner, publicly stated that we should immediately replace the Sheridan tanks with a new light system known generically as the armored gun system. What are your plans?

General **VUONO**. Mr. Chairman, I agree with General Stiner that we should be replacing the Sheridan for a variety of reasons including its age and its technological capability. We are looking at the armored gun system as part of our Armored Systems Modernization Program. This program is a perfect example of how we are prepared to take some near-term risks in our capability in order to stretch technology to provide the kind of armored systems both our heavy force and our light force will need in the future.

The armored gun system is part of that program. We are looking to the future with our armored systems modernization. We are going to push technology for the next generation of tank, fighting vehicle, artillery piece, and the armored gun system is included in that technological search because we think it is that important for our forces.

Senator **INOUYE**. Would the Marine LAV 105 assault vehicle meet your requirements?

General **VUONO**. The Marine LAV assault vehicle is a superb vehicle and it performs tremendously. We are looking for a little different type of vehicle and we do not believe right now that the Marine LAV will solve our problem.

Senator **INOUYE**. Have you looked into it?

General **VUONO**. Yes; we have reviewed it.

Senator **INOUYE**. Now you are considering acquiring 70 of these?

General **VUONO**. Of what, Mr. Chairman?

Senator **INOUYE**. Of the armored gun system?

General **VUONO**. Yes; as a replacement for the Sheridan.

Senator **INOUYE**. When will these be made operational?

General PIHL. Mr. Chairman, we are at the marketing survey level right now with the armored gun system program. There are several excellent candidates out there. Because we are only in the marketplace to buy approximately 70 of the vehicles, as you indicated, the LAV 105, the Marine Corps version, is a possible choice for us.

There is an excellent vehicle built by the Food and Machinery Corp. out in San Jose, CA, one built by Teledyne-Continental, and so what we want to do is go out and shop for these vehicles, hopefully tack them onto an already existing contract, and not engage in a big developmental, stretched-out, long-term program. Right now we hope to move from a market survey into a formal requirement for the program.

The first time you will see that is in the 1992 budget request.

RETROFITTING M–1 TANKS

Senator INOUYE. General Pihl, you recently stated that the Army is considering taking the 2,400 basic M–1 tanks with the 105 and the 800 improved M–1 tanks, also with the 105, and retrofitting them to M–1A1 status, the 120.

How much would it cost to retrofit these 3,200 tanks?

General PIHL. The answer is, sir, we do not know yet, and that is exactly why I asked the question. What we are into now is to flesh out an idea. It is a data call. And, yes, I have asked my Program Executive Officer, Major General McVey, to ask General Dynamics to fill in the data on this what-if question.

It is not a retreat in any way from the President's budget request, which right now recommends the closing of the tank plant. But, on the other hand, we are asked by committees, the House Armed Services as an example, to respond to questions like this, and I cannot answer their questions unless I have the data.

Senator INOUYE. When do you think you can provide this answer?

General PIHL. Sir, I would like to be able to provide the data by the end of April, and we have asked the question. The contractor is going to come up with the data so that as we look at alternatives to laying away tank plants, this is an idea we could flesh out. But it is just that—an idea. It is not a strategy, or a program, or a plan, or a request at this stage.

CHEMICAL WEAPONS

Senator INOUYE. Mr. Secretary, if my mail load is any indicator, No. 1 is the B–2, No. 2 is Johnston Island. I gather that you were there quite recently. Could you give us an update on what is happening on Johnston Island?

Secretary STONE. I would be glad to, Mr. Chairman. You are correct. I was at Johnston Island exactly 1 week ago today. The reason I went there is a reflection really of your own mail load, and that is it is a very sensitive issue. At Johnston Island we are involved in the construction of a plant that is to destroy, in line with national policy, chemical weapons that were produced many years ago. These weapons are no longer required for our inventory and should be destroyed.

This effort has been going on at Johnston Island for several years, and the plant is now approaching an active startup of the program that will be undertaken.

I went there a week ago to assure myself that all proper management and safety controls were in place. I would like to take this opportunity to convey to you personally and to the committee my satisfaction with the visit in the sense that I am satisfied that all of those proper, prudent management controls indeed are in place.

In talking about a facility like that, I think you yourself on another occasion have used the expression that you never know what will happen. You can step out of a building and be hit by a car or fall over a wall and accidents can happen. You have asked me what my assessment is of the overall risk that the country is taking in operating this program.

I think the first response is that this is something that we cannot delay. We have to get rid of these weapons. They are there. They are old, and they need to be destroyed. So we cannot keep on postponing the action, however difficult it is.

Second, the technology that we are employing at that plant is conventional technology. It has been used in a number of different industrial applications. For example, let me use the example of the exhaust gases that come out of the stack. There are various industrial standards which apply to exhaust gases. One of those standards is known cryptically as the six 9's standard, meaning that something is cleaned to a 99.9999 percent standard. The stack conditions that will prevail at Johnston Island are to those six 9's standards—a very, very high standard. I do not believe there is a higher standard in the United States.

The contractor has top management people on the ground on a continuous basis. The Army has competent management people in place. The plant is now operating on a quasi-startup basis, and by that I mean that it is manned 24 hours a day. All the controls are being monitored as if the munitions were actually being destroyed. And that particular phase will move into the operational verification test stage, I would estimate, sometime toward the end of April, about a month from now.

Senator INOUYE. This is a project that many would hope would be behind us, but we have to be realistic. These weapons must be destroyed. They will have to be destroyed somewhere, by someone, and at some time.

Having said that, there are many Americans who are nevertheless concerned about the environment, and rightfully so, and concerned about the safety for people residing on this planet. You have stated that all precautions are now being taken and will continue to be taken.

For the most part they are divided into two segments of weapons—one, already stored on Johnston Island; am I correct?

Secretary STONE. Yes, sir.

Senator INOUYE. And the other would be from the European continent?

Secretary STONE. Yes, sir.

Senator INOUYE. Now, will the weapons on the European continent be carried across the continental United States?

Secretary STONE. No; Mr. Chairman, they will not.

Senator **Inouye**. So it will not go through any State?

Secretary **Stone**. That is correct, Mr. Chairman.

Senator **Inouye**. Will it stop off in Hawaii?

Secretary **Stone**. No, sir.

Senator **Inouye**. So it will go from continental Europe on board vessels and be shipped to Johnston Island?

Secretary **Stone**. The shipment will take place from the port of Nordenham in Germany directly to Johnston Island, with no intervening stop.

Senator **Inouye**. Now, these weapons had to be taken to Germany from the United States. Did we have any experience of problems?

Secretary **Stone**. Those movements took place, Mr. Chairman, in the 1950's and 1960's, some 25, 30 years ago or even longer, and I am not aware of any incident having taken place during that transit period from the United States to the storage sites in Europe.

Senator **Inouye**. At the time of the transit, were special precautions taken?

Secretary **Stone**. I will answer that question, Mr. Chairman, two ways, if I may. One is that I am not aware at that time of any special precautions having been taken. The munitions were treated and packed, as far as I know, in exactly the same way that other munitions were packed. They were stored on pallets. They were put in ships. They were put in standard rail cars or trucks and they were delivered to the storage sites wherever they were in Europe.

The second part of the answer is what the current program is, and I can assure you and the committee that there are some very special precautions being taken in the preparation of that movement from Europe today. There are special steel containers being fabricated to store the munitions. There are special sensors being installed in those containers to make sure that no incident affects the transit.

This is being done in full coordination, of course, with the authorities in Germany, and we are confident that transit can be safely and expeditiously made.

Senator **Inouye**. When the destruction of these weapons occurs, I suppose it will also occur in the Soviet Union. What progress are the Soviets making in this area?

Secretary **Stone**. As I understand the Soviet situation, Mr. Chairman, they have a facility that was ostensibly available for chemical weapon destruction, but I believe that this facility is not operational. I do not believe that they have a plant that is capable of doing what we are doing or expect to be able to do at Johnston Island. I would think that they are subject to the discussions that the United States has with Russia. I would think that there might be some opportunities to collaborate in this destruction program as the months go by.

Senator **Inouye**. How long will this phase of chemical weapon destruction take?

Secretary **Stone**. I cannot answer that question specifically because I cannot tell you how long it is going to take the plant to work up to a full production ramp. We are going to start slowly to make sure that we accentuate the safety processes all the way along. It may take us 1 month to get to full production; it could take 6 months to get to full production.

Early on in my business career, I ran a fertilizer plant in Arizona. As I recall, it took us a year to get that plant up to full production capacity, and I would not be surprised, given the emphasis on safety at Johnston Island, if it took a year to get that plant up to full production capacity.

Therefore, I cannot estimate exactly how long it is going to take to destroy the weapons that are required to be destroyed in this facility. But I would think that it will take somewhere between 3 and 5 years, probably 3 to 4 years.

Senator **Inouye**. I have many other questions, but for now I would like to call upon the vice chairman, Senator Stevens.

Senator **Stevens**. Thank you very much. The chairman and I and other members of this committee will go to the Pacific at Easter time, during our recess, hopefully visiting not only our United States installations out there, Korea and other places, but also Vladivostok.

I tell you that because of our great interest, obviously, the two of us representing offshore States, but also the feeling that I think we share that, having kept the peace in Europe for so many years we believe we have an increasing responsibility now to see to it that we keep the peace in the Pacific.

I was reminded recently when I visited the Army installations in Hawaii—General Kicklighter had a very good presentation for us, I might add—that in the Pacific 7 of the 10 largest armies of the world are involved and that if it is going to be a century of the Pacific ahead of us then keeping the peace in the Pacific is something that is going to be in the vast interest of the United States.

I, too, General Vuono, am worried about some of the statements that are made by some of our colleagues about precipitous reductions in the number of our standing army, the end strength of our standing army, and also some mandates for political decisions as to the deployment of our forces in this transition period with regard to the status of peace in Europe.

I have a series of questions that I want to ask the two of you, but I just wanted to give you that background. In my judgment, the problem we really face beyond some of the hardware questions that the chairman has already mentioned, is the problem of morale in the Armed Forces, particularly in the Army. In the coming period, it will be the Army that I think will have to bear the burden of disasters and crises and Just Cause-type operations.

RECRUITMENT

I am really worried about the morale of the Army in view of what we constantly read and hear Members of Congress say. It is my understanding—and I have read both of your statements—that we have probably the highest level of educational attainment now in Army recruits that we have had in history. Is that correct?

General **Vuono**. Yes, sir.

Senator **Stevens**. And we have had really a fairly easy period of recruitment during these last 10 to 15 years. Is that correct?

General VUONO. The last several years have been very good, not only in terms of meeting our quantity requirement, the number of soldiers we need to bring in, but also, thanks to this committee and others, meeting our quality. It still takes a major effort to get the kind of quality soldiers we are bringing in.

But you are absolutely right. The level of education as we measure it by high school graduates, and the level of mental categories are higher now than they have ever been. So far this year we have had a very successful year.

Senator STEVENS. Well, as I read your statements, Mr. Secretary and General Vuono, you are reviewing the structure of the Army. You are preparing a new strategy for the Army of the United States for the next century and particularly for this coming decade. And that does encompass the awareness that we all have that we are going to have a reduction in force.

General VUONO. Yes, sir, it does.

Senator STEVENS. You really do not need a mandate from Congress to do that now.

General VUONO. No, sir; what we would like from Congress is to give us the ability to execute the plan that we have laid out, because it is a plan that is based on the international environment and the changes we see there, on our military strategy, the threat, and the resource level we are given.

It allows us to capture what we have in terms of a quality professional force and enables us to build down that force so that we can shape it over a period of time. We will certainly have a smaller Army, but it will be a trained and ready Army with quality men and women in the ranks.

If we have to execute on a much steeper glide path, if we have to execute based on some of the numbers that I have heard, then, Senator, we will fracture the Army, and we will lose not only the readiness edge that we have now but we will lose the quality that we have spent the past 15 years building up. I think that would be a disservice to this Nation and to the men and women who are serving in our ranks.

MORALE

Secretary STONE. If I could pick up, Senator Stevens, on the Chief's remark and just focus on one word you used in your statement, that is the word "morale." I think the morale of the Army, as I said, I think before you got to the room, I have been in the Army now 4 years. I have had a chance to observe units all over the world in the Army, as I did in Alaska, as you know, just 2 weeks ago.

I think the morale of the Army today is very high, reflecting the quality of the young people that we have in the Army today and the professional leadership that is there in the noncommissioned officer ranks and the officer ranks.

What could destroy that morale very quickly is if we do some of the things that General Vuono has talked about. If we try to effect the changes which we believe are proper in relation to the changed threat in the world today, if we try to achieve some of those changes too rapidly, at too steep a reduction rate, then we are going to affect that morale.

We need to do what we can to manage that reduction properly, to do some of the things that the chairman asked me about earlier, and to preserve the morale. I think we can do that, but not if we are asked to take 100,000 people out of the force in one year. We cannot do that.

Senator STEVENS. Well, I fear that some of the Members of Congress might say, for instance, with the concept of offering an incentive for enlistment in the form of assistance for higher education after a period of service, as we have now, that that is one of the things we can do away with now. We do not need that.

I believe that we need that assistance even more now to assure those people who make a career decision to come into the Army and serve and have hopes for improvement and higher education that we need to reinforce that now. We need to reinforce the assurances we have given to people to make career decisions that we are not going to close down this plant overnight without any notice. Some of us understand that fight around here.

I see this as a major plan of the United States. It has involved a period of incentives for enlistment, a commitment for careers. Up our way, General, we have got young couples that are both in the Army and both of them are studying higher education while they are raising their kids in the Army. I think career decisions have led to the best Army I have ever seen.

I remember being drafted in the Army years and years ago. But it does seem to me that we have got to find a way to lower the rhetoric in the Congress if we do not want to destroy the Army that we want to see survive at the end of this pipeline. I do not think we have much difference about the numbers that ought to be out there in 1995, 1996, 1997. It is just some people think we ought to get in an elevator and go down.

I hope that we can stop that. I really believe it is going to be bad for the country. What is more, I am a Scotsman. It is going to cost us more money. If we do that, you are going to have to come back here and have even more incentives to plug those gaps in the essential places if these people leave because they do not have confidence in the concepts we placed in law and the incentives we placed in law for enlistment in the past.

I hope you will keep us informed of any trends that look like we are seeing a decline in morale and give us any ideas that you have that would reassure these people that we mean to keep our commitments to them. They are volunteers; you are absolutely right, General.

General VUONO. Senator Stevens, if I could just pick up on that, because we agree with you completely. The point that I would make is that in a time in which the Army gets smaller there is all the more need for quality soldiers, if you want a professional quality force. You get quality soldiers by the incentives you provide them, the education fund and so forth, and the environment in which they are asked to serve.

Private Stevens is the best recruiter we have because he is telling his friend in Fairbanks, AK: "Come into this environment. They take care of you. The opportunities are there to improve and grow. It is a challenging, exciting business." That is why Private Rudman becomes a soldier, because he heard from his friend.

So in a time of drawing down, what we have to do is to keep that environment. We will draw down units as a mission, but in those units where we are not drawing down we want to continue the training and the readiness of those forces. As you say, the morale is higher than it has ever been right now, but there is a degree of uncertainty creeping in.

We have to work through that. That is why we feel so strongly about this reprogramming action that you have up here right now. Why is that important? Because we are telling the Army people they are important and we are going to take care of them, and that quality is essential. What will happen to us if we do not get that reprogramming?

We will have to freeze promotions in the Army as of June 1. We said we did not want to do that. We will have to freeze permanent changes of station, and we said we did not want to do that. We will have to reduce the accessions that we are bringing in. We will have to let soldiers leave early, in a 90-day early out. All of those contribute to undermanning of the force, reduced readiness, but, more importantly, the commitment that you and I have made to the soldier is going to go by the board.

That sergeant who is in Baumholder, Germany, right now, who was supposed to get promoted on July 1, and who does not because we have imposed a promotion freeze, and who was supposed to move to Kansas because he had a permanent change of station, and cannot move his children in time to start school does not understand reprogramming. What he understands is a lessening of our commitment to him and that will contribute to the uncertainty that we have got to be concerned about.

Senator STEVENS. Well, Captain Inouye here is about ready to cut me off. The other privates want to talk. [Laughter.]

But let me say to you this: Few people realize that behind the recovery from the disaster in Prince William Sound there was an underpinning of the Army, and Major General Smith coordinated from here. We did not put troops out there to clean up the oil on the rocks, but the troop ships were there, the support was there, the logistics support was there. Even the Air Force flew in skimmers with the C–5A's.

We could never have accomplished what little was accomplished in those first days without the support of the disaster mechanisms of the Army. You are going to see a lot more of those. I am hoping they are not oil spills in my place, but we are now in a disaster-prone century, apparently, and it is important for us to have that infrastructure and to have the capability that you have.

So I for one am ready to reenlist. I really believe the Army must maintain its credibility in this period, and the people that are marching with their feet in Europe believe you are there. Whether you are going to come to help them is another question; that will be a decision that has to be made by the President. But they know that we have a volunteer force that is loyal to our system, and we have got to keep that force, in my opinion.

Thank you, Mr. Chairman.

Senator INOUYE. Before I call upon Senator Cochran, I would like to add a footnote to this. Two days ago, this committee held a hearing on personnel matters, and among the many witnesses we invited wives to testify. As General Vuono has said, all these wives unanimously stated that the morale is high, in fact at the highest point. But it was also said that just a few steps away is a cliff that could drop precipitously because of one thing—uncertainty.

The rhetoric of this day in Washington and elsewhere is so uncertain they have no idea what is ahead of them a month from now or a year from now. They said as long as you let us know what is going to be happening to us, we do not mind. But we do not want to be sitting around not knowing what to expect 30 days from now or 6 months from now.

So we will do our best on our side to do away with this cloud of uncertainty. I hope the administration and the Congress can work together in this endeavor.

Secretary STONE. Thank you, Mr. Chairman. I appreciate those remarks and also those of Senator Stevens.

Senator INOUYE. Senator Cochran. I was going to say Sergeant Cochran.

SUPPORT EFFORTS

Senator COCHRAN. Thank you very much, Mr. Chairman. I do not know whether I could assume all that responsibility.

The fact is, I think, that we do have opportunities to increase the support for the armed services through activities such as described by Senator Stevens with the oil spill and the disaster assistance efforts, but also in the area of the drug interdiction effort.

This continues to plague the country in a way that not many other things do, and people are worried about it, very seriously worried about it. If the armed services can come up with an effective, cooperative support effort in that field of concern, I think it will do a great deal to assure everybody that we are getting our money's worth, even in a time of peace, even at a time when there may not be any perceived threat to the security of our citizens or our economic interests around the world, as there has been in the past.

So I was interested in your comments, Mr. Secretary, in your statement about the establishment at Fort Bliss of this joint armed services headquarters for the purpose of coordinating armed services activity in this area. Could you give us a little bit more information about the extent to which the Army is involved and the extent to which you may be involving Guard and Reserve troops in this effort?

Secretary STONE. I would be glad to try to answer that, Senator Cochran. First of all, let me say that during the past year, since Secretary Cheney has been at the Department of Defense, it has been a fundamental charge of his to the three services—and I will speak to the Army part of it in a moment—that we do develop a program that has two characteristics in the antidrug effort.

One of them is a sizeable effort in terms of resources committed to the project. The second characteristic, which to me is really a more important one, is that the antidrug effort be both consistent and persistent, and that it is maintained at a level over a period of time.

We have had antidrug efforts in the armed services in the past. They have been sporadic and they have not been maintained. I think the big difference that you are seeing in the Pentagon today is a persistent, consistent effort that is well resourced and is backed from the top by the Secretary of Defense. General Vuono and I are certainly doing all that we can to implement that policy in the Army.

Now, coming back to the details of it, there are a number of particular areas that I would like to emphasize. One of the most important is in the area of training. When we are asked by countries overseas, for example, we can send training teams in to teach people how to fly helicopters, operate communications equipment, and to employ surveillance equipment. We can constitute what we call MTT's, which are mobile training teams, to work with countries, with their armed forces, with their counternarcotics agencies to develop programs within the country's own sovereign rights and within their operating requirements.

We can respond to those and are doing so today. We currently have 42 of these mobile training teams in action in various parts of the world. Six of these teams are specifically focused on the training of counternarcotic forces.

In terms of the National Guard employment, this is an ideal opportunity, we think, to employ people in this anti-narcotics program. In the case of Washington, we do have the Washington, DC National Guard already operating in conjunction with the police force to provide communications backup and training. This type of program I think can be employed in many parts of the country effectively.

General Vuono. The only thing I would add to that, as the Secretary pointed out, is that we assist in trying to reduce the supply through the mobile training teams and our assistance in helping various countries. Then we assist in the interdiction role, both air, ground, and sea, that is one of the major roles that the forces in that task force down in the Fort Bliss area are performing right now, trying to ensure that we can interdict any elements that are coming across the border. We are doing that through ground and air surveillance. It is a joint effort, not just joint within the military, but jointly working with other governmental agencies down in that area.

I think that there are some opportunities there, but it is going to take a long period of time. This is not a short-term operation, as you know very well. I am not speaking specifically of the element in the Bliss area but in terms of our whole involvement in the drug war.

Senator Cochran. Well, my hope is that the involvement can become a little more conspicuous and, I think, therefore, more helpful in terms of meeting the charge that some are going to make up here during this appropriations cycle that we do not need the funds that are in the bill for defense, that we do not have the threat, we do not have the challenge that we have faced in the past.

I do not agree with that. I think we do have real need for the assets that are in your budget and are being requested this year of the Congress, and I hope we can respond.

I also have a concern, too, that what we do put in the bill is recognized as having the force and effect of law. I think it is time that we got that out on the table and just had an understanding that when the Appropriations Committee directs the spending of funds for a specific activity that that has the force and effect of law.

I do not know how we work that out and get it understood or enforce that in a procedural way, but I think it is an important matter. I am not just talking parochially. I am just thinking that it is an important principle to recognize, and we have maybe some problems to work out here in the Congress on that subject, but I think we also need to address it in terms of the relationship of the executive branch and the Congress.

Having said that, I wonder whether you could answer, Mr. Secretary, if there are funds in the appropriations bill directed to an activity such as the Army ammunition plant in Hancock County, MS, for continued operation for the balance of the year or for some other predetermined date in the bill. Would you have any trouble spending that money and carrying out the directive that is contained in the bill?

Secretary STONE. There are two parts of your question. You first raised the possibility that there might be less funds in the budget this year for participation of the Armed Forces in the antidrug effort. I think that would send a very adverse signal if that were to happen. That would be just the reverse of what I mentioned a moment ago when I said that consistency is one of the keys to the effectiveness of this program.

If we cannot get funded, we cannot maintain that consistency and we get into another cycle where the effort is maintained for a period of time and then declines. I do not think that is an appropriate way to develop a proper and effective campaign.

The second part of your question was related to specific installations. All I can say there is that I think the Department of the Army would be willing to look at any means of increasing the effectiveness of our antidrug effort, and I would be pleased to give you every assurance that I will do that.

Senator COCHRAN. I have some other questions relating to specific programs—the M-1 tank program, and also the Army's light helicopter experimental program—that I am interested in getting some answers about. I think, though, in view of the pressures of time and the presence of other Senators who have questions to ask, I will submit those. If you could respond to those in writing, that would be perfectly all right with us.

General VUONO. We would be glad to.

Senator COCHRAN. Thank you. Thank you, Mr. Chairman.

Senator INOUYE. Thank you. I will be recognizing Senator D'Amato out of order because he has another committee to attend and he has a statement he would like to submit.

Senator D'AMATO. Mr. Chairman, I thank you for your courtesy. I would like to welcome the Secretary and commend General Vuono, because I think you have taken a realistic approach to the difficult political and fiscal pressures shaping defense policy today.

I would ask that the full text of my statement be submitted in the record as if read, Mr. Chairman.

Senator INOUYE. Without objection, so ordered.

[The statement follows:]

STATEMENT OF ALFONSE D'AMATO

Thank you, Mr. Chairman. General Vuono, I want to commend you for the realistic approach you have taken to the fiscal and political pressures shaping defense policy today. I wholeheartedly support your vision of a smaller, better-equipped, better-trained, more capable Army. I also applaud, at some pain to myself, your decision to forego procurement now in order to fund the R&D necessary to maintain our technological edge into the 21st century.

I have some questions concerning the mix of Active, Reserve, and National Guard forces anticipated as U.S. forward deployed troops are slowly brought home. Do you agree that future wars will be "come as you are parties" too swift for forces that must mobilize to play a role? That no President will be willing to pay the political costs associated with a major mobilization? That the low cost of the Guard and Reserve is scant compensation for the loss of readiness? I hope that you gentlemen will be able to shed some light on these assertions.

Thank you, Mr. Chairman.

Senator D'AMATO. Thank you, Mr. Chairman.

Senator INOUYE. Private Rudman.

Senator RUDMAN. Well, you have got me demoted, but that is all right.

General VUONO. I said the wrong thing; I can see that. [Laughter.]

FORCE REDUCTIONS

Senator RUDMAN. Welcome, General Vuono, Mr. Secretary. My questions will be very brief. Really the dialog that has been going on here this morning is exactly what ought to be going on. You have got a whole new threat evaluation to do, and you obviously have to do that in terms of what has changed in Europe. Everything has been based on heavy forces for the last 30 or 35 years. That is obviously changing. Whether it is changing completely, nobody really knows.

Yet we are asking you and your other service chiefs to draft new threat evaluations for us and then adjust our composite force structure to meet that threat. I do not know if you can do that as quickly as you are going to be asked to, but I dare say that we are probably going to be moving on budget reductions here faster than you would like us to. I think that is almost a certainty.

The question then is how to do it and do it methodically without ripping out, if you will, the core of the Army.

If I understand your testimony correctly, what you are saying to us is, we are going to have a reduced force structure. We are going to have some different modernization requirements.

But it is essential that we do it in a programmatic way over a 4- to 5-year period so that the Army structure, which is now in the high 700,000's gets down into the low 600,000's by 1995. Furthermore, the accompanying procurement and all that would go with that would come down in the same way. Perhaps you'll have more of a switch toward R&D, with less production of certain projects because you want to modernize and be ready for whatever the next century brings.

Is that a fair synopsis of what you are saying to us?

General VUONO. Absolutely, sir.

MODERNIZATION

Senator RUDMAN. Having asked that, then, let me ask you this one question on one key part of your modernization. When we have been looking at what was called LHX over the last number of years, now called LH, we were looking at a force structure in support of combat arms and supporting arms in Europe mainly. That obviously is changing.

My guess is that the President's number of 195,000 will probably not last terribly long. I think it will be less than that in the next several years. That is my own view. Yet I believe the LH is still a very necessary part of the Army's structure. As a matter of fact, if I am not mistaken, it is the only part of the modernization that is really high profile right now. There is nothing else for the Army in terms of such large amounts of money.

Tell us, with the world changing as it is, why you need the LH and how many you think you are going to need, and where you would be without it.

Secretary STONE. I think probably each of us, Senator Rudman, would like to make some sort of response to that, and I will try to make mine brief because I suspect that the Chief and General Pihl would both like to add something.

If I may divert, I would like to thank the chairman again for his kind words about General Pihl. I, up until just last week, have been the Army Acquisition Executive. In accordance with law, I handed over the Army acquisition responsibilities to my new Assistant Secretary for Research, Development, and Acquisition.

During the last 3 years, as I have been the Army Acquisition Executive and involved in acquisition business, I have worked very closely with General Pihl. He has been my military deputy in that function and has been a marvelous officer to work with. I appreciate your kind remarks about him.

Several questions so far have alluded to the Army's need to maintain a modernization program. The Chief typically talks about modernization being a continuous process, and I think he is absolutely correct. We are maintaining in the Army today the need to modernize four essential functional elements of the Army's inventory.

I talk about those because you are absolutely correct. We have canceled 15 major programs in the Army. We have concentrated on technological development at the expense of some attenuation of and increase in short-term risk. But there are four programs that are maintained today as a high priority. None of them, in my judgment, is as important as the one which is the subject of your question.

I will mention the other three quickly just to put them in perspective. The Armored Systems Modernization Program is a reflection of the fact that we are terminating production of U.S. tracked vehicles in 1992. We are looking at long-term modernization with emphasis on the technological development of new systems to come along toward the end of the decade. That is No. 1.

No. 2 is the development of an infantry antitank weapon system. We need that system in the Army. We have been trying to develop one for 5 years. We have got one on track now. It is coming along very well, and I think it is going to satisfy that need. We need to maintain the funds for that program.

No. 3, we still need to modernize our air defense system. We have several good weapons systems coming along. One is called the Avenger. It is in low rate production and will transition to full-scale production in April 1990. The Avenger had a very quick fielding schedule. It is a very successful Army program. From the time we signed the contract until we had the first unit equipped was 20 months, and that is a very good record, in my judgment.

LIGHT HELICOPTER

The fourth program is the light helicopter. Because I have used a few minutes answering your question, I am going to make my answer very brief on the helicopter and let these other two officers answer for me.

Let me begin by accentuating the fact that the Army today has about 8,000 helicopters in its inventory. Of those helicopters, 2,000 are modern helicopters and are excellent machines. We have the best attack helicopter in the world today in the heavy category, the AH-64 Apache. We have a very fine, modern transport utility helicopter, the Black Hawk, and we have a modernized version of the large transport helicopter, the CH-47D. We also have an upgraded version of a Scout helicopter, the OH-58D.

We have, at the same time, 6000 over-aged helicopters based on outmoded technology. These older helicopters are limited as far as technological upgrades are concerned. We also have certainly great survival problems with those helicopters, and we need to replace them.

I will now ask General Vuono to comment more specifically on the LH program.

General VUONO. For the force we have, the light helicopter which meets several of our requirements, and that helicopter will go into both our light forces and our heavy forces. As you know, we need both types of forces. We have talked about that before.

We have a technological breakthrough with that helicopter. The mission equipment package and the engine give us a superb aircraft. What it does, it gives us a versatile aircraft, an aircraft that can meet our requirements for armed reconnaissance and also an aircraft that meets our requirements for the light units, an attack bird in our light units.

It is a bird that is all-weather. It meets our requirements for deployability. There is a Special Operations Force [SOF] deployment capability that can be built into that bird. And, finally, it gives us a lethal and survivable platform—lethal in terms of its ability to acquire targets rapidly, and assurance of first-round hits, survivable in the fact that it is hard to detect. And finally, it gives us that capability that we can put in, as I say, to our heavy divisions and our light divisions.

I am absolutely convinced, more than ever, that as we move forward into the next century that is exactly the kind of helicopter we need for our force.

General PIHL. Sir, just a few words about the programmatics. We need 1,875 light helicopters. We would produce them at 157 a month. It is indeed a $42 billion program when you round that out through the year 2010.

We think that that is as important to us as a service as other large aircraft systems are to other services. If you grant us this support, we will thank you for it. It is a world-class helicopter. It is not a super-stealthy helicopter. It is not an ATA or an ATF.

We are going to control the observables and make sure that the LH can fight nap-of-the-earth, where we fight, down in the mud, and make sure that we have the ability in this very uncertain and porous battlefield to detect the kinds of targets that will occur and then, if we find them, to attack them and kill them.

Senator RUDMAN. When will we have some inkling on cost?

General PIHL. Sir, right now we are at 17 months out of 23 in demonstration and validation. We put a very tough mark on the wall—$7.5 million in flyaway cost. Now that is a number that is very meaningful to the two contractor teams—McDonnell-Douglas and Bell, and Sikorsky and Boeing—who are competing for this business because as we take a look at the reduction—we once asked for 2,096 of these helicopters—we did not change the mark on the wall.

There is very good reason for that because right now they are in the performance tradeoff in looking at what this helicopter can perform at cost. And we know that we cannot allow the cost to creep upward in any sense of bells and whistles on this particular helicopter and still have a program. So we have been very hardnosed about that number.

Senator RUDMAN. Well, I hope, Mr. Chairman, that maybe later in the year, maybe even before we get to our mark, that some members of this committee who are interested—and I am interested—would arrange with the Army to go down and look at what is going on with that development program.

I, for one, believe that if the Army does not get that light helicopter then we are really doing the Army a grave disservice for what missions it might have, particularly non-European missions we are talking about.

I mean, we talk about B-2 and MX and B-1B and SDI and $1.5 billion submarines, new submarines that the Navy is talking about before the 688 class has even got any rust and maybe they need it. That is the subject of another hearing.

But I sometimes get the feeling that the Army gets to be like the poor orphan of the Defense Department, because some of this stuff is not terribly exciting and not very glamorous. But every time this country has had to get a mission done it is somebody on the ground that got it done. Without the kind of helicopters that the Army needs to replace those which will be, I believe, close to 35 to 40 years old by the end of this decade, then I think the Army will suffer a terrible disservice.

You know, $40 billion is a lot of money, but we are talking about appropriating it over a 10-year period or 13-year period. I just hope this committee gets well informed on LH because I think it is absolutely essential. If the Army does not get that part of its modernization, I feel the Army is not going to be very modern.

So I just want to serve notice to the chairman that that is one of my projects this year. I want people to become informed about that helicopter. I think the Army needs it. By the way, I do not think a cotter pin of that helicopter is made in the State of New Hampshire.

Senator **Inouye**. I just want to tell Captain Rudman I am with you. [Laughter.]

Senator Bumpers.

Senator **Bumpers**. General, I want to tell you that I thought your last statement was extremely cogent and pointed and I could not agree with you more. This committee and Members of Congress are always involved in the exotics and you people are the ones that we have to call on first, just like in Just Cause. You are the ones we put out here on the front lines.

I do not know that much about the LH. Incidentally, what kind of armament will it have?

General **Pihl**. Sir, it will fire the Hellfire missile system and also the air-to-air Stinger.

Senator **Bumpers**. Well, I certainly will probably support that fully because I just believe in that kind of lean, mean Army, which is always the front line of defense for this Nation.

I also want to say, General Vuono, I was especially impressed with your testimony about the improvements of the readiness of the Guard and Reserves. That is one of the finest statements that has been brought before this subcommittee or any other committee that I have ever sat on that deals with these things.

JOINT READINESS TRAINING CENTER

I am especially concerned, as you might guess, about a little parochial issue in my own State, and that is the Joint Readiness Training Center. I have had an opportunity to sort of observe that firsthand simply because it is in my State, and I just think it is the finest training program I have ever seen in the Army.

I spent 3 years in the Marine Corps, and I never saw anything even close to it. I just think it is a magnificent program. I hope it stays in Arkansas. I understand you will have your studies completed by October; is that correct?

General **Vuono**. Yes, sir. We hope by October to have finished the studies and to make the decision of where we want to permanently locate that.

I agree. The value that we get out of the training centers, the light and the heavy training centers, is really one of the linchpins of the trained and ready force that we have today.

RED RIVER ARSENAL

Senator **Bumpers**. One other thing on a parochial note that also concerns me is the closing of the Red River Arsenal and moving that function. How was Red River chosen?

Secretary **Stone**. Red River is a difficult issue for the Army, Senator. I ought to be careful in making sure it is clear before your committee that we are not, of course, talking about the pending closure of the entire facility there. We are talking only about the distribution facility.

I think what we have been led to is a reflection here of the need for the Army to reduce its overhead cost. We are not talking just about taking people out of the Army. We have to take administrative costs out of the Army as well.

We have three major storage facilities for our logistics systems now—one on the west coast, one on the east coast, and one in the central part of the United States. Looking at the force structure decline, looking at the equipment decline that goes on in the Army attendant with the reduction of force, we are going to need less spare parts. We are going to need less square footage of storage space to store those spare parts.

We have done the analytical work to look at transportation costs and we have reluctantly come to the conclusion that we will be able to satisfy the stock and logistics requirements of the Army, using two facilities and not three. We do believe that the reduction of the requirement from Red River can be carried out, at least on the basis of the information I know today, without a reduction in force.

Senator BUMPERS. You do not need to say any more. That is all I wanted to hear.

Secretary STONE. I cannot make a commitment to you that is what is going to happen, Senator, over the next 4 years, but that is what I believe can happen, and I will assure you that I will do everything possible to make that happen.

MLRS ROCKETS

Senator BUMPERS. Mr. Secretary, I was under the impression we were going to require 48,000 MLRS rockets this year, and you are asking for 24,000. General, maybe you could comment on that. Do you feel comfortable with that figure?

General VUONO. Yes, sir, I do.

Senator BUMPERS. Why are you reducing that number?

General VUONO. Again, it was based on a number of factors. One is taking advantage of the international environment that we are in, the reduction of the threat in the near term, and then evaluating our levels of sustainment and the resources available; all of that put together said that there was an opportunity to reduce, and that is why we did it.

Senator BUMPERS. Are you going to sell that on the foreign market?

General PIHL. Sir, we have some opportunities to sell the MLRS worldwide.

Senator BUMPERS. Have you made a decision to do that yet?

General PIHL. No, sir; we have not.

Senator BUMPERS. That is a really fine weapon system. I am reluctant to see that peddled internationally.

General PIHL. It is a centerpiece weapon system for the Army. Programmatically, in my business, it has been one of the best examples of program management I know of.

Senator **Bumpers**. I just want to make this point. We have the Defense Department telling us that the Soviet threat is reduced, but the Third World threat is still there and maybe increased. I would just make this observation.

That is that when the CFE talks are concluded, which they are likely to be this year, the Soviets will almost certainly sell a lot of the equipment that they are going to be taking out of central Europe to the Third World. We are already committed to selling some M-60's to Egypt.

We cannot fret about the Third World threat and then not have the Soviet Union and the United States sit down and discuss ways to avoid increasing the risk by selling all this equipment. Of course they are going to have an awful lot more to dispose of or take back beyond the Urals than we are. But for the life of me I do not know why we are not also including in the CFE talks a commitment that those weapons are not going to be sold to Third World countries to exacerbate the very problem that you are now talking about.

Having said that, I do not have to remind anybody that Vietnam was the biggest seller of arms for several years in the world after we left billions of dollars worth of equipment there. Danny Ortega helped build his whole army out of American-made equipment that the Vietnamese sold him. I am not opposed to all of these sales, but we ought to bear in mind that our weapons last a lot longer than some of our friendships do and we often find those things turned against us.

FOLLOW-ON TO LANCE

Now, a couple of other things. I, with three other Senators, had a fairly lengthy conversation with Chancellor Kohl about 10 days ago. I said to him that the Pentagon was asking for $200 million for R&D for the Follow-on to the Lance missile.

I asked Chancellor Kohl. I said, would you mind greatly if we just took that $200 million out of the budget. All the Germans there laughed. And he said, well, he did not want to meddle in the internal affairs of this country. But in talking to other people in Germany it seems to me that, particularly with the reunification, it is almost certain that they are not going to permit the Follow-on to the Lance missile in Germany.

Now, why do we want to go forward with this? If my statement is correct—it may or may not be, but if it is correct—why would we go forward with this?

General **Vuono**. I think first of all, if I may, Senator, the decision that is pending by 1992 is a deployment decision, and we will just have to see what happens on that. We have, right now, a requirement for the Follow-on Lance based on a NATO requirement. It has been part of our strategy over there in terms of conventional, strategic, and nonstrategic nuclear weapons.

There is a need to improve the existing Lance missile, the Lance missile system that we have on the ground right now. It seems to me that since we have that requirement we should continue to ensure that we can produce that kind of missile. If there is a decision made not to deploy, then that is another area for us to address later on.

That is why you see it in the 1991 request, because there has been a requirement, there still is a requirement, and so far there has not been a backing off of that requirement by the European allies. So that is why you see it. We are not unmindful, as you well know, of discussions that have taken place. But that is why it is in our 1991 budget, and that is why we support the continued research and development for that system.

END STRENGTH REDUCTIONS

Senator BUMPERS. Two quick questions, General. Now you are reducing forces in 1991, according to this budget, by 16,000 men. How much money do we save in 1993 with that reduction? I just want a general figure.

General VUONO. I would have to refer to my budget officer here.

Merle, you can give him those numbers.

Give him a second to get those.

We have obviously taken the kind of reductions that we feel we can prudently take, into account as we have programmed out 1991 and beyond, and we have pegged that at about the 35,000 a year after 1991. By the end of 1991, we will have taken out, between 1990 and 1991, between 36,500 and 40,000 for those 2 years, and then in 1992 and beyond we will program about 35,000 from our end strength.

We believe 35,000 is a number that you can take out in a year as you evolve the force so that you ensure that you are taking care of your people, that you are not arbitrarily and involuntarily letting a great number of our officers and noncommissioned officers leave the ranks, that you have a program to allow you to continue to bring in accessions as you draw down the force so that you do not underman your units. If you do it any faster than that, you will start undermanning your units. That leads to reduced readiness.

Finally, 35,000 a year is about what you can manage as you bring down the structure. As you take out brigades and divisions, at the same time you are reducing the total number of soldiers, you are striking a very delicate balance. About 35,000 a year is what you can effectively do.

Finally, that number over a period of time will allow us to ensure that we keep the training and readiness of the force up. To have us take, Senator, more than about 35,000 out a year, either in the near term or throughout the program years, would be an absolute disaster for the Army and for this country.

Senator BUMPERS. You make a very compelling argument, General.

General FREITAG. Senator, the answer would be approximately $600 million. The key to that is that you get all of those soldiers out in the first year, so that you can then achieve an annual savings each year.

Senator BUMPERS. That is the reason I asked you about 1993. I wanted to know what the ultimate savings is going to be.

General FREITAG. That is approximately correct.

Senator BUMPERS. Well, I have been one that felt we ought to get out of Korea. I would not care if we left 12,000 or 13,000 troops there—Air Force, communications and so on. But I just get agitated when I think about South Korea, with twice as many people and 10 times bigger GNP than the North and us still sitting there. I think if 43,000 troops will deter the North Koreans, I think 13,000 would, too.

But, having said that, the point I want to make is that it does not do any good to cut our forces in Europe by 100,000 or in Korea by 30,000 if you just bring them home. You do not get any savings out of that. If you are going to use them for reduction in forces, you can save some money; otherwise, you do not.

ASAT

My last question, General or Mr. Secretary, is on ASAT. You have $200 million in here for ASAT research. There again, the Soviets have been asking us to sit down and negotiate with them on ASAT's. They have not tested one since 1982. I personally think it is very destabilizing to get into the ASAT business, and yet you are asking for $200 million here.

Oftentimes we are presented with this argument that somehow or other the Soviets have an ASAT capability. Now I do not think there is anybody sitting at that table that would feel he had an ASAT capability if he has not tested it since 1982. Would you comment on that, Mr. Secretary?

Secretary STONE. I would be glad to, Senator Bumpers. I think that my answer will be very short and very simple. I think it revolves around the points that you have already made. I have one introductory comment—the ability to interfere with communications on the type of battlefield that we are looking at in the future is probably as dangerous a concept and situation as we could anticipate. If we cannot communicate, we cannot fight.

The fact that the Russians do have a capability which has been demonstrated, albeit 8 years ago—and it is a fairly robust capability—is a daunting factor for us to consider. And the position of the Department of Defense has been, and the Army as the executive agent for it, that we do need to have a deterrent capability of our own, and that is the fundamental premise.

Senator BUMPERS. Well, Mr. Secretary, let me remind you that even in the tests they conducted I believe they had many failures. You would not consider that a very daunting threat, would you, if you had it?

Secretary STONE. The reliability factor, if you can shoot enough times and still achieve some successes, could still have a very disruptive effect. We would like to believe that we have some ability to retaliate which would, we think, constitute some deterrent on our part to constrain Soviet use of these systems.

Senator BUMPERS. Could you not countermeasure what limited capability they have a lot easier and a lot cheaper than you can build your own?

Secretary STONE. I cannot answer that question, Senator. I would be glad to try to provide some comment for the record, though.

Senator BUMPERS. Would you? I would like to have your comments on that question.

Secretary STONE. I will, sir.

[The information follows:]

ASAT COUNTERMEASURES

The purpose of fielding an ASAT system is not primarily to protect our own space based assets from the Soviet ASAT system, but also to deny and negate the threat posed by Soviet space based reconnaissance and surveillance systems.

With respect to the survivability of our own satellite systems, active and/or passive measures must provide protection of satellite system functions across the conflict spectrum in response to threats against U.S. and Allied space systems. The amount, type and mix of protective measures are dependent on explicit space system missions and threats. The survivability features of specific satellites are highly classified to protect the viability of the features. Individual methods can only be discussed at the appropriate classification level. In a generic discussion, methods to recognize an impending threat have been developed and appropriate responsive measures have been developed to counter this threat. The effectiveness of these measures can only be confirmed in an actual attack, however, so additional countermeasures are continually evaluated in the hope of further enhancing survivability.

In any case, neither the development of an ASAT system, nor the enhancement of our own satellite survivability can be considered in isolation. The current U.S. national space policy recognizes that a space control capability is a key element of America's national security space posture. Space control requires an integrated combination of space surveillance, anti-satellite capabilities and satellite survivability/endurance.

Senator **BUMPERS**. Thank you, Mr. Chairman.

Senator **INOUYE**. Thank you.

Senator Specter?

Senator **SPECTER**. Thank you, Mr. Chairman.

Mr. Secretary, I join my colleagues in welcoming you here and note that General Vuono was born in Monongahela, PA. We share pride in your career, General. It is well known that we have had Musial, Namath, Montana, and others from the Mon Valley, but I do not think that the Army Chief of Staff has yet gotten sufficient recognition.

I am pleased with your statement, Mr. Secretary, that you have focused on the problems of drugs and terrorism, which I think are important matters, especially drugs, and we compliment you on the Army and the Department of Defense moving forward along that line.

SOVIET THREAT

I note that in your prepared testimony you talk about the stated intentions of the Soviets being only in a rudimentary stage of implementation, and you note encouraging signs of a reduction in the Soviet military threat worldwide, but that it will take some time for the final results to become apparent. That is the generalized approach which the Department of Defense has taken—that we have to be cautious. And I appreciate that.

But I wonder, in light of the tremendous problems which the Soviet Union is now having, evidenced most recently by events in Lithuania, Azerbaijan, and other areas, whether there really is as much capability in the Soviet military as we are attempting to be prepared for.

I recognize the desirability of being cautious, but if you take a really hard look at it, given all their problems, how much of a threat are they today?

Secretary **STONE**. If I had to use the word "rudimentary" again, I probably would choose to withdraw it from the statement. I wrote that statement, I guess, maybe in January. Events are moving so fast that I do not think you can properly say today that the changes that are taking place there are rudimentary. They are more manifest today than they were then.

I think, Senator, there are really two issues, maybe three, involved here. We talked about a couple of them, but let me see if I can phrase them in response to your question.

There clearly is a significant reduction in the threat today from the U.S.S.R. No. 2, there is still a significant capability there. Under the Constitution and under the laws of the United States, I, as the Secretary, am charged with the responsibility of providing for the defense of the United States. You could perhaps characterize the defense of the United States as the necessity to retain the capability of being able to defeat any threat that materializes against our country. If we cannot negotiate away that threat, we have to be able to fight and defeat that threat.

I did have the opportunity to meet yesterday with Secretary Cheney and with representatives of the CIA, the Defense Intelligence Agency, and other departments of the Government. We talked about the threat. All of the evidence that was presented at that meeting yesterday in the Pentagon gave further assurance to me that, despite reductions in tank production and despite the fact that the configuration of divisions have changed in Russia—they have gone down from something like 180 divisions to perhaps 105 to 110 divisions—the firepower in those divisions is being increased today.

The tube artillery is being increased in those divisions. They are fielding a very advanced system of air defense. I just mentioned our need to continue that program.

Senator SPECTER. Could you tell us something about their military spending? I raise that question because we are continuing to hear about significant problems in the Soviet economy. Questions come to mind when you testify about their increase in military preparedness as to whether major purchases of equipment have been in the pipeline or are they continuing to make such expenditures in the face of their other problems.

Secretary STONE. I did not necessarily say, Senator Specter, that they are increasing their resource allocation in an absolute way. What I did say was what resources they are spending, they are spending, in my judgment, in a very offensive posture.

Senator SPECTER. Are they currently increasing their resource allocation to military items?

Secretary STONE. My best understanding of the matter is that the resource allocation is being maintained but is not increasing, nor do we see any significant decline. Let me see if I can explain that a little bit better.

A year or so ago, the Russians were producing something like 3,000 to 3,500 tanks a year, in contrast to our rate of about 600. The rate today has been halved to somewhere between 1,500 and 1,750. So you would say that the resource allocation has been cut in half as well.

The difference is, as we see in some of our own systems, that the unit cost of some of these individual systems increases at the same time. So there is not the commensurate decrease in resources, even though some of the levels of decrease have taken place.

Senator **Specter**. I would like to discuss this with you further, but there is limited time and I would like to turn to two other matters.

General **Vuono**. Could I just make a point on that, Senator?

Senator **Specter**. Of course, General.

General **Vuono**. I think we have taken the right approach to the threat. I think we have got to look at capabilities, not just near-term capabilities but capabilities in the future. We must consider the Soviet ability to modernize their force.

We in the Army have taken into account the tremendously changing threat in the near term. When the Army is reducing two divisions by 1991, when we are taking out of the force 40,000 of our Active soldiers, 20,000 of our Reserve soldiers, 15,000 of our civilians; when we are cutting back on the number of our production lines; and when we are closing some facilities, I think that we are clearly taking into account the near-term reduction in the threat.

The only other point I would make is that our challenges are global, and run from peacetime competition to global war. We must provide the kind of trained and ready force to respond to those challenges while at the same time taking into account the reduced levels of threat that we see in the Soviet Union.

MOBAY CORP.

Senator **Specter**. I would like to turn very briefly to two matters which are of general importance but specific importance in my own State. The first involves a recent report that the Mobay Corp., which is Pittsburgh-based, has refused to sell a U.S. Army contractor a chemical ingredient necessary for production of poison gas artillery shells because it is contrary to their corporate policy.

In light of the effort to reduce, perhaps even eliminate, chemical warfare, I would be interested, Mr. Secretary or General Vuono, in the Army's position on compelling a company to furnish such a chemical against their will.

Secretary **Stone**. I am familiar with the situation, Senator, and it is a difficult one for the Army to be involved with. Under the laws of the country, we are required to provide some substitute weapons for the older ones that we are destroying. The plant that is making those weapons is in Arkansas. We need to have raw materials for that plant, and those raw materials are produced by only two companies in the United States, including the one that you mentioned.

So far, we have been unable to acquire the raw material that we need. It is a vital ingredient. We cannot make the weapons without it. We are presently negotiating with both companies in the hopes that we can prevail upon them to supply what we need.

Senator **Specter**. When you talk about this particular item, it is one which has really wrenched the Senate. We have had tie votes, to the best of my recollection, on two occasions in the past several years requiring then-Vice President Bush to break the ties on both occasions. These votes were followed by a humorous report in the press about his mother disagreeing with his position.

I know of a no more contentious issue that we have faced in the Senate chamber, of a matter going right down to the wire, and candidly, I can understand the position of the company, not because it is a Pennsylvania-based company.

Are you able to tell us at this point whether you plan to use the force of law to require the sale of this chemical to the Army's contractor? There appears to be a 1950 statute which would authorize you to compel that production. It seems like a pretty tough stand for the Army to take in a peacetime environment.

Secretary **Stone**. We would hope that we would not have to take that position. We are trying to work with both companies to work out some compromise that would avoid our having to fall back on that other legislation that you just mentioned.

Senator **Specter**. Well, I will not press as to what you will do in a hypothetical situation.

V-22

The final question I have relates, in general, to a subject Senator Rudman brought up—referring to his remarks about the light helicopter as distinguished from his comments on missiles and major bombers. This subject is the V-22, which has been the topic of a lot of discussion in this subcommittee.

I note your references, Mr. Secretary, to Panama, yet this question might be better directed to General Vuono. It involves the potential use of the V-22 in Panama. This action was a military operation which required the Army to carry manpower over some distance. The V-22, which is much faster than a helicopter, may have been useful.

Why is the V-22 not higher on the list of priorities for the Department of Defense? I have already asked Secretary Cheney that question. It is best addressed to him, but perhaps it is not unfair to ask Army officials how hard they may be pushing the Secretary of Defense, who seems to be opposed to it, to purchase the aircraft for its needs and for the Marines' needs. A very strong position in favor of the V-22 has been taken by the Marine Corps.

Secretary **Stone**. I am sure that General Vuono would like to comment on the operational side, so I will restrict my comments, Senator Specter, to the acquisition side of the business.

LH, as we have been saying, is fundamentally important to the Army. We would like to have a lot of things, and, at one time, as I am sure you know, we did consider the V-22.

From my perspective as a manager of resources, and as an acquisition person and as a businessman, I have to look at it this way. First, you heard me say a few minutes ago, we have 6,000 aircraft in our inventory that are 30 or so years old—some of them not quite that old. We would like to buy, in round figures, 1,900 new aircraft.

If I can buy four light helicopters at about $7.5 million a copy, as opposed to a V-22 at four times that figure, if I can have a 4-to-1 airframe ratio, I think I would rather have that 4-to-1 airframe ratio. I cannot do four times as much with the V-22 as I can with the light helicopter.

Second, and this is the part that General Vuono may wish to amplify, there are some missions that we could fly with the V-22, no question about that. But my understanding, again from the acquisition viewpoint, is that the number of missions we have in the Army that would require a light helicopter [LH] far exceeds the number of missions that we could find for that much more expensive V-22.

General VUONO. I think that is exactly right. I would only add that we reviewed the V-22 in terms of its requirements for the Army and elected a couple of years ago not to pursue it. After we looked at the threat and potential global missions, the doctrine of how we intend to fight, and our battlefield deficiencies, we found that we did not have a requirement for the V-22. We felt that our aviation plan of Apache, Blackhawk, CH-47, and the R&D for the light helicopter was the proper plan to meet the Army's requirements on the battlefield of today and the battlefield of tomorrow.

Senator SPECTER. Thank you very much. In light of the late hour and other Senators waiting, Mr. Chairman, I will submit some additional questions in writing. One of them relates to Mobay, so it is a continuing question, depending on what happens in the course of the next several days.

Thank you very much. Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator DeConcini.

Senator DECONCINI. Mr. Chairman, thank you.

Mr. Secretary, I want to join my friend from Pennsylvania, Senator Specter, in expressing my accolades on what I think is a very positive attitude from the Department of Defense and, certainly the Army, in dealing with drugs and terrorism. I really believe that the attitude has turned around. A few years ago, we did not get those kinds of statements voluntarily from the services, not because they were not opposed to drugs or anything but because it just was not their mission. As one Senator, I appreciate that.

BASE REALIGNMENTS AND CLOSURES

Mr. Secretary, I would like to talk to you about an old subject that has been kicked around a long time, and that is the issue of base closings. A few weeks ago a report was attributed to you that you preferred the status quo as it related to the realignment of the Information System Command at Fort Huachuca to Fort Devens.

As I was uncertain what you had in mind, I had my staff contact your office and apparently you were referring to the costs associated with the realignment, the possibility that there might not be sufficient military construction funds to complete the realignment, and the possibility that there might be a delay in completing the realignment. I will ask you in just a moment if you can shed some light and confirm that or not.

But before you do that let me make it very clear and that I remind you about my feelings on the realignment. This committee is well aware of that. The chairman and the ranking member of the committee and the staff did a remarkable job in working with me last year to address these concerns.

While we ultimately did not prevail, I still have not been convinced that we have met the criteria established by the Base Closing Commission, nor am I convinced that the taxpayer will ever see any savings as a result of the Huachuca-Devens realignment. I continue to have what I believe to be a valid concern that the alignment at Huachuca is truly a Trojan horse.

To briefly review the situation, Mr. Secretary, the Base Closing Commission originally estimated that realignment of the Information Systems Command would save the Government $21 million annually and pay back in 1 year. After the GAO reviewed the data and the conclusions reached by the Commission last fall, it determined that the Government would see an $8.1 million annual savings and a payback somewhere between 43 years and 100 years.

While this clearly exceeds the Commission's 6-year payback requirement, I do not want to reopen last year's can of worms all over. But I want to focus on your concerns about the costs associated with the ISC realignment. Could you clarify what you meant by the status quo and any specifics that you can give us if you do not think the military construction funds are going to be there?

Secretary STONE. This is a very difficult subject for me to address, Senator, although I am not surprised that you bring it up and I understand your concern.

First of all, I gave no interview that I am aware of on that subject, nor do I recall any reporter calling me or anything else, so anything that was in the paper was secondhand or hearsay. I am concerned about the base realignment and closure legislation, but it is the law of the land and I am bound under my responsibilities, of course, to execute the requirements of that law.

The law required us to begin to make the moves that were incorporated in the legislation, starting January 1 of this year, and complete them by the end of 1995. The Army is on track in complying with that legislation and we will continue to be on track to the extent that I am able to keep it there.

I do have a concern about the results that are going to be achieved in some cases. I think the GAO report to which you refer actually, if I remember the statistic correctly, said that the Army would recover its investment somewhere between 43 and 200 years.

Senator DECONCINI. You are correct, Mr. Secretary, not 100 years.

Secretary STONE. From a business viewpoint, as a manager in the private sector, no investment would ever get by a board of directors if it were going to be a 43-year payback.

The Army can work itself through that problem. We will make the changes that we are required to make by law. We will spend the money for the move that you are talking about: the realignment of Fort Huachuca near Tucson and Fort Devens in Massachusetts. We can realign the existing forces that the Army has in those two bases. But what worries me is the total cost for that move.

There are numerous incidental costs involved with this move, the reconstruction of the buildings, the addition of facilities, moving computers, putting in additional air conditioning to take care of the computers, the moving costs involved, the temporary lodging of people involved. Maybe the Army is exaggerating these incidental costs. We are not intentionally exaggerating them, but we may be overestimating them.

Normally these costs, as we all know, are underestimated rather than overestimated. We are looking at a figure of something like $480 million to make that move.

I repeat, we are executing the requirement under law, and we can work our way through all those problems. There is no innate difficulty in doing that. What worries me ultimately, as the Army's resource manager and the steward of Army resources, is that despite the fact that Congress has appropriated money to take care of those out-of-pocket costs, there is a finite amount of money in that pot.

The Department of Defense is charged to take care of all of the Department of Defense costs, and that which eventually finds its way to the Army is not going to be sufficient to cover the cost. Therefore, we are going to have to pay it out of our own pocket. That is what worries me.

Senator DeConcini. Well, Mr. Secretary, is that what you are prepared to do, pay it out of your own pocket, even if it does not make sense? Let me just remind you, though the recommendations were accepted on the Senate floor, Senator Nunn did enter into a colloquy in which he stated: "Obviously if significant errors were made, one would expect the Secretary of Defense to consider whether these realignments should proceed."

Is there not some area where you finally come to a conclusion perhaps that $480 million—we do not have all the money and we have to take it out of our hides or out of someplace else—that maybe this is not the best thing to do, notwithstanding the law, and perhaps we had better go up and resolve it and plead our case?

Secretary Stone. I have talked to a number of legislators about it, and I would be glad to continue the discussion with you. If I could see a proposal that would make sense, I would be glad to entertain it.

I do not have any choice. I must continue to say it. I do not have any choice but to incur this out-of-pocket cost the way things stand today.

Senator DeConcini. What you are telling us is that you are going to proceed with $480 million because that is the law, even if it does not make business sense to you.

Secretary Stone. The recovery of the investment does not make business sense.

Senator DeConcini. That is what I mean, the recovery of the investment does not make sense to you and you are going to go ahead and proceed with it.

Secretary Stone. I am not saying the move does not make sense. There is some functional justification for the move.

Senator DeConcini. But the high cost is questionable and yet you are going to go ahead and do it.

Secretary Stone. Yes, sir.

Senator DeConcini. I have to say, Mr. Secretary, it seems to me that is not a wise thing to do when you are talking about $480 million. I would certainly suspect that you would want to see what other alternatives there might be, including the Secretary's discretion, if he has any from legal counsel, or whether or not you would want to come up here and ask for a special appropriation and justify it, or, if you cannot, ask for some modification of that move.

But that is not under your consideration at all?

Secretary STONE. As I said a moment ago, I have talked informally with a number of legislators to see what flexibility there might be in this situation, and I repeat my offer. I would be glad to talk to you about it and see what can be done.

Senator DECONCINI. Have you come up with any flexibility?

Secretary STONE. It is very difficult.

JEFFERSON PROVING GROUNDS

Senator DECONCINI. Another question on base closing that I have, Mr. Secretary, involves the Jefferson Proving Grounds in Indiana move to Yuma Proving Grounds. This is a little bit reversed.

We have the space, the capabilities and the facilities in place at Yuma. I suspect your answer is the same as it was on the Huachuca-Devens. The transfer of Jefferson would enhance and expand those activities at Yuma. Can you tell me what the status on that transfer is?

Secretary STONE. My understanding of that situation, Senator, is that we are completing an examination of the facility at Jefferson Proving Ground in Indiana, with the objective of determining exactly what the environmental cleanup cost of that facility is.

Some parts of the operation there have been heavily used over the years, of course, and there is substantial environmental cost in order to put the property in a position where we could dispose of it. That study has not been completed yet. It is underway, and I think we will have it later on this year. At that point we will know more about our ability to deal with the Jefferson side of it and comply with the law.

Senator DECONCINI. Well, is it your position that if the law says you are going to make a move, you are going to have to do it?

Secretary STONE. Yes, sir.

Senator DECONCINI. When will that environmental study be finished?

Secretary STONE. I said later in the year. I cannot give you the exact month.

Senator DECONCINI. Is it your position you have to take care of that before you make the move?

Secretary STONE. I would really prefer to answer that for the record, Senator. There may be some possibility of splitting the property and leaving that part of it which would be exorbitantly expensive to restore.

[The information follows:]

JEFFERSON PROVING GROUND

There are two environmental studies in progress for JPG, an environmental impact statement [EIS] and installation restoration program [IRP] study. The Army's position is that no irrevocable realignment and closure actions at JPG will take place until the EIS has been approved by proper Army officials and a record of decision [ROD] has been signed. However, JPG activities can be realigned and construction of facilities at Yuma Proving Ground [YPG] can be initiated before the JPG IRP study has been completed.

The Army will conduct studies in accordance with the IRP to identify contamination, and the existing process will be expanded to include asbestos, PCB's and other contamination not normally investigated as part of the IRP. All environmental con-

tamination migrating from installation boundaries will be treated or controlled to acceptable public health or environmental impact levels.

The Army will consider, on a case-by-case basis, the non-Army use of BRAC excess property for less than unrestricted use. The consideration will be based on a specific use and its compatibility with the existing use of adjacent uses. A final decision will be made only after the existing environmental conditions have been assessed in an enhanced preliminary assessment which will determine the environmental contamination status of JPG.

Senator DeConcini. What would you leave it?

Secretary Stone I would prefer to answer that specifically for the record because I just do not know exactly.

[The information follows:]

Jefferson Proving Grounds

If it is feasible to clean up a portion of Jefferson Proving Grounds and make that portion available for other uses, the Army will certainly proceed in that direction. At the present time, the Army does not have enough data to make a determination regarding feasibility, but is conducting studies and surveys toward that aim.

Senator DeConcini. Do you consider this potential or this mandated move on schedule? Do you have a schedule for it?

Secretary Stone. We have a schedule that is provided by law. We have to comply with all of the moves by the end of 1995, and we are on schedule and in compliance with that schedule. I think that is as good an answer as I can give you.

Senator DeConcini. Thank you. Well, I would appreciate it, Mr. Secretary, if you could let us know what the progress of that is after the report comes to you.

Secretary Stone. General Freitag has just corrected me. In that particular case, that move has to be done by 1994, not 1995.

Senator DeConcini. Thank you.

TOW MISSILES

General Pihl, can I ask you a question regarding the Tow missile? For the last couple of years, I have expressed concerns with reference to the Department of Defense plan on a second source production of the Tow missile. I have been told that it might actually cost more. I find that difficult to understand, but it has been explained to me how that might happen.

Can you give us any update on that weapons system?

General Pihl. Yes, sir. We are taking a very careful look at our request for a second source for the Tow. The drawdown that has been spoken to today before the committee and our requirements really tell you that you can build everything you need with your primary source.

Senator DeConcini. In other words, that there would be no savings from bringing on a second source?

General Pihl. Sir, the Department of the Army went to the Defense Department with a multiyear versus second source evaluation. Our preference, candidly—and it is very well known—was a multiyear contract with Hughes. We were turned down. We put together a second source proposal against a quantity of missile systems that made sense for a second source.

Now we are looking at a quantity of missile systems that return sensibility to dealing with the prime.

Senator DeConcini. With one source?

General PIHL. Yes, sir.

APACHE HELICOPTERS

Senator DECONCINI. Thank you very much.

General Vuono or General Pihl, can you give me an update on the Apache helicopter production? I know that this is going to be supposedly the last year of buy. Have those contracts been awarded and will you receive them all this year, or will that carry over to 1991, or do you know?

General PIHL. Sir, we followed the intent of Congress and put the remaining buy together as one package.

Senator DECONCINI. One package for 1990?

General PIHL. That is correct.

Senator DECONCINI. And has that been completed?

General PIHL. Sir, we will proceed to fill out the 807 helicopter totals, the 40 battalions with Apache.

Senator DECONCINI. Thank you very much. I am very concerned also, General Vuono, as other members have expressed, Senator Rudman and others, regarding the LHX helicopter and providing the Army with the weapons that I think you need. I think you will find some real sympathy here as to making some tough decisions on where to go.

I think the Army, as Senator Rudman said, sometimes is forgotten or is the military's poor child in a way. There are plenty of indications that is not always true, but the state of your readiness certainly concerns me.

Can you tell me, with the last year's congressionally mandated Apache helicopter buy, will that provide you the necessary Active duty capability that you need as well as that for the Reserve and the Guard?

General VUONO. Yes; we think it does, Senator. Producing, as General Pihl said, the 807 equips 40 battalions in both the Active and the Reserve components, and we think that along with the Blackhawk and the CH-47 gives us the readiness capability we need. With the support of the committee, which we not only appreciate but need, for the light helicopter we think we will have not only the near-term capability we need but also the long-term capability.

Senator DECONCINI. Thank you. Thank you, Mr. Chairman. I have a number of other questions that I will submit.

Senator INOUYE. Thank you very much.

SOVIET REDUCTIONS

I would like to make an observation and find out if my observation is correct. At the present time, the Soviets have approximately 160 divisions. They plan to cut it down by about 50. But they will beef up the remaining divisions with modernized equipment. Russian divisions are about two-thirds the size of American divisions, approximately.

On the other hand, we have 28 divisions in the United States. In this budget you will reduce that by two divisions. In the next 4 years you will take out three more divisions. So you will end up with 23 divisions versus 100 divisions or 110 divisions. Am I correct?

General Vuono. That depends on whether that holds true as far as the Soviet Union's planned reductions go, but in terms of our reductions, you are correct. We hope we can hold it at only that amount of reduction.

Senator Inouye. I have many questions, and I will go through some.

PATRIOT

Last fiscal year, we appropriated $248 million-plus as the first increment for the Italian agreement, the Patriot. As of March 22, nothing has been obligated because I have been told that the Italian Government has not signed the agreement.

Now in this fiscal year you are requesting a similar amount, $248.3 million, I believe. Is there any indication the Italians will sign the agreement?

General Pihl. Sir, we have no indication that they will not. We are waiting for a signal from the Government of Italy. It is the American proposal to provide fire control for the 20 fire units and, of course, the bargain is the Italians build the missile system.

Senator Inouye. And you are confident that if they sign the agreement, implementing legislation will also pass?

General Pihl. Sir, I do not know about that. But we are confident we can execute the program from an acquisition standpoint.

Senator Inouye. Our contract has been held up now. Is Raytheon willing to hold onto the initial price?

General Pihl. Sir, it is our understanding that if we do not have some indication by March 31 that could be very sporty for Raytheon.

Senator Inouye. Well, that is just a few days from now.

General Pihl. Yes, sir, that is.

Senator Inouye. You have no idea as to when the Italians will sign on?

General Pihl. Sir, I do not.

Senator Inouye. I have a question on the non-line-of-sight missile system which I will be submitting to you, sir, if I may; several questions on the CFE treaty. I will also submit questions on low-intensity conflicts.

ATTACK HELICOPTERS

I would like to ask this one for the record. The Army is presently planning to develop and procure three different attack helicopters—am I correct—the LH, the Apache Longbow, and the armed AHIP? Is that correct?

General Pihl. Sir, that is correct. We are going to, as an interim program, to the light helicopter, arm the 243 Warrior helicopter or AHIP's, as they were formerly called. We are looking at the Longbow program, which is inserting a fire-and-forget Hellfire missile system into our fleet of Apaches. And we are also doing the research and development on the light helicopter.

Senator INOUYE. For fiscal year 1991, it will be $759 million and for the next 5 years a little over $7 billion. Are these helicopters similar?

General PIHL. No, sir; they are not. The Kiowa Warrior helicopter is a near-term scout helicopter. It started as an unarmed OH-58A and B, grew to a C, and then grew to a D model which put a mast-mounted sight up on top of the helicopter. It performed very well in our Persian Gulf operations, and we want to arm it with the Hellfire missile system.

But it is a helicopter that we have added weapons systems to that will not perform in a high, hot environment. It performs well at sea level, but it does not perform well at 4,000 feet on a 95-degree day. So it has really reached the limits of its growth as an evolutionary program, and, therefore, it is an interim.

The Longbow is a weapons system replacement for the current Hellfire, and what it does is it cuts the laser umbilical cord so that someone does not have to designate a target from the ground so that the missile will fly from the helicopter and kill the target. It does it in a true fire-and-forget capability that is autonomous to the Apache helicopter.

The light helicopter, sir, is from the ground up a designed helicopter with its observability controlled, has the weapons stowed inside the bird, that will allow us to survive and fight in modern battlefields where you need to have lethality and survivability in a helicopter that will travel with about 170 knots, as compared to the Kiowa Warrior that is at 100 knots and the Apache that is about 45. So you are talking about now a true increase in battlefield capability in both observability, to be nondetectable to the other side, and in terms of weapons speed on the battlefield.

Secretary STONE. I would like to, if I may, Mr. Chairman, just add one comment there. What the Army is doing is not buying three separate helicopters here. We are modernizing our aviation fleet in accordance with our Aviation Modernization Program in the way that General Pihl has just described.

In one case, we are upgrading a 25-year-old helicopter. In the second case, we are adding weapons upgrades to a helicopter that has been in service now for about 5 years. And in the third case, we are completing the research and development on the new LH system.

Senator INOUYE. In discussing the V-22 versus the helicopter, the proponents of the V-22 Osprey have suggested that the Osprey has a longer range or radius and therefore it could be launched out in the sea out of harm's way as far as missiles are concerned, whereas the helicopters will have to come close to the target and therefore place themselves in jeopardy.

Is that observation valid?

General PIHL. Sir, the Osprey is a tilt-rotor helicopter, a large helicopter. It is in the transport role or transport regimé. We in the Army looked at it for aerial medical evacuation. We looked at it as a special mission aircraft to handle electronic warfare capability. It is more like the Army's Black Hawk for us than it is like the attack helicopters in terms of its fightability. It does not have a weapons system on it.

So in some sense, sir, you are comparing two different battlefield capabilities with one another.

ARMY RESERVE COMPONENT

Senator INOUYE. The Air Force Reserve has a commanding officer, and that commanding officer has control over his budget. The Marines have that. The Navy has that. What about the Army?

General VUONO. We have had an ongoing study, Mr. Chairman, which is looking at the command and control of our Army Reserves. That study has not yet been presented to the Secretary and me for our final decisions. We are looking at various alternatives, to maintain and improve the readiness of the Reserve components.

Whatever decisions we make on whether we keep the status quo or make evolutionary or revolutionary changes to that command and control, uppermost in our minds is going to be how does it improve the readiness of the Reserve components. We will report out on that at a later date.

Senator INOUYE. Many of my colleagues have suggested that with these dramatic changes occurring all over the world, followed by reduction in forces, that we should seriously look at beefing up our Reserve components. What do you think, sir?

General VUONO. It is our intent to improve the overall quality and readiness of the Total Army as we build down to a smaller Army.

I do not necessarily agree that you improve readiness and quality by beefing up and adding more structure to a force. I happen to believe that you should look at what you have and what missions you expect them to accomplish, their ability to attract and retain quality soldiers, and the needs of the Total Force as you are drawing down some part of it. For example, as you draw down some of the Active components, there is less of a need for some of the support structure that we had supporting them. Finally, you look at the geographical representation associated with the Reserve components.

So I am four-square, Mr. Chairman, behind improving the quality and the readiness of the Total Army, and that is what we intend to do—to have a smaller Total Army but have it trained and ready with quality soldiers.

Senator INOUYE. In other words, the Reserves will not be the dumping ground for excess equipment?

General VUONO. On the contrary, we are working up distribution plans that will enable us, as we build down the force, to redistribute that equipment and provide it to those Active and Reserve component units that need it.

Senator INOUYE. Well, as I indicated, Mr. Secretary and Generals, I have many questions I would like to submit. There are several followups on the helicopter.

I want to state at this juncture that I, too, am quite concerned that we not take precipitous action in the reduction of our troops, not only from the standpoint of morale but also from the standpoint of our security. So I stand ready and I believe the committee stands ready to work with you to come forth with a plan that will, as the women and dependents have stated, take away the uncertainty that is causing them heartburn, and at the same time respond to the mandate that you have from the people of the United States to provide necessary security.

Before I call this meeting to a recess, I am sorry I failed to introduce General Freitag, who is the Director of the Army Budget. He should have been sitting in the middle there because he is the money man.

I want to commend you, sir. The staff has asked me to very specially convey to you their thanks for the close cooperation and the assistance you have provided us.

General FREITAG. Thank you, Mr. Chairman.

Senator INOUYE. Mr. Secretary, I thank you for your appearance here. I realize this is your first and we hope that we will have many other meetings together. General Vuono, it is always good to see you. And, General Pihl, I wish you the best, sir.

General PIHL. Thank you, sir.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUYE. We will submit the balance of the questions for response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR INOUYE

AMMUNITION REQUIREMENTS

QUESTION. General Vuono, we understand that the days-of-supply requirements for ammunition accompanying the 1991 budget have not been adjusted to reflect force structure reductions and changes in the Soviet threat. Our staff has been told that the Army is now in the process of recalculating its requirements to factor in these changes. Since the 1991 Ammunition budget is based on outdated requirements, will not the updated days-of-supply analysis indicate that the Army need not procure as much war reserve ammunition in 1991? When will updated days-of-supply information be completed?

ANSWER. The 1991 Ammunition budget is not based on outdated requirements. The Army is in the process of recalculating its ammunition war reserve requirements. This analysis is estimated to be completed by late 1990. Preliminary results for ammunition requirements for the European Central Region in the 1996 timeframe indicate some overall reduction in requirements; however, requirements for modernized ammunition remain high. The FY91 budget supports the initial build-up of these modernized ammunition items and is therefore consistent with preliminary trends reflected in the ongoing requirements process.

QUESTION. Irrespective of changes in force structure and the Soviet threat, we understand that the Army already has changed its computations of days-of-supply to count the ammunition held in units. Previously, this was not done. For example, AT-4 anti-tank weapons in infantry battalions were excluded from days-of-supply calculations. General Vuono, how much impact has this accounting change had on the Army's ammunition requirements? Why did the Army exclude such ammunition from past estimates?

ANSWER. Prior to August 1989, the Army excluded the Ammunition Initial Issue Quantity from sustainability calculations. Ammunition Initial Issue Quantity is that quantity of ammunition that provides each deployable weapon system and unit the initial capability to perform its TOE/Mobilization-TDA Mission. The Army's objective is to procure at least the AIIQ, and the War-Reserve level should that exceed the AIIQ.

For most weapon systems except tanks, the AIIQ inclusion in sustainability calculations reduces, by approximately 3-6%, the shortfall between on-hand assets and the required war-reserve level.

Previously, the argument has been that, by excluding the AIIQ from sustainability calculations, provisions are made either for a quantity equal to the AIIQ to be on hand at the end of the conflict or for an ammunition "buffer." Either consideration is a luxury the Army can ill afford in a period of constrained resources. Moreover, since AIIQ items are procurred to support combat operations, such an exclusion falsely portrays the Army's ability to fight for a given period of time.

REVISIONS IN ARMY ACQUISITION PROGRAMS

QUESTION. As a result of budget reductions, changing threats, changing missions, and reshaping the Army for the future, the Army has informed us that all thirteen of its major equipment modernization plans are being revised. Since revision of the Army's modernization plans will not be finished until August, at the earliest, the Army's fiscal 1991 budget request clearly is out of date. Would you agree that major revisions of the Army's acquisition programs are likely in the future? What impact will these revisions have on the fiscal 1991 budget request?

ANSWER. The Army's fiscal 1991 budget request is not clearly out of date. At the time of submission, the Fiscal Year (FY) 1991 budget represented our best projection of Army requirements. As an example, reduced tank requirements resulted in termination of tank production after FY91. During the program phase of PPBS it is necessary for us to make revisions in resource levels through the Six Year Defense Plan (SYDP) period. Clearly, changes in both international and domestic arenas will cause us to revise our SYDP acquisition program. At this time, it does not appear that changes in our Modernization Plans will impact on FY91 acquisition programs.

ARMORED SYSTEMS MODERNIZATION

QUESTION. At a minimum, can you tell the subcommittee now what are your revised projections for procurement of tanks, fighting vehicles, artillery, and helicopters?

ANSWER. Our revised projections for the future procurement of tanks, fighting vehicles, artillery, and helicopters, starting in FY91 thru completion are:

M1 Abrams Tank	
M1A1	- 163
M1A2	- 62
M2/M3 Bradley Fighting Vehicle	- 800
M109A6 Howitzer Improvement Program	- 748
M119 105mm Howitzer	- 381
AH-64A Apache	- 0
UH-60L Black Hawk	- 432
OH-58D KIOWA	- 0
CH-47D Chinook	- 96

These projections are prone to revision as a result of ongoing budget reduction decisions.

REDUCED BUY PROJECTIONS

QUESTION. We understand you are reducing your projected buy of the Army's future tank from 3,349 to 1,946 and of the fighting vehicle from 1,893 to 1,321. Won't this make each new tank or fighting vehicle prohibitively expensive?

ANSWER. No. The reduced production quantities are a result of our projection for a smaller Army in the future, and we could not justify the original, larger quantities. The unit weapon system costs for the future tank and fighting vehicle did increase some when we reduced quantities: tank - 11.6% ($3.8M to $4.3M in FY90 constant $) and fighting vehicle - 7.5% ($3.7M to $4.0M in FY90 constant $).The increase in costs do not make these systems prohibitively expensive. As part of the Army's development of the Armored System Modernization (ASM) program, a Baseline Cost Estimate and Independent Cost Estimate were prepared. These cost estimates established the costs for the ASM program and each of the ASM systems. Initially, these estimates were established based upon the original, higher quantities to be produced. When the production quantities were reduced the estimates were updated accordingly. The updated estimates approved by OSD Cost Analysis Improvement Group were used in the conduct of a detailed Cost and Operational Effectiveness Analysis and Economic Analysis to determine cost effectiveness and overall affordability for the ASM program and each of the ASM systems. These analyses showed that the ASM program was both cost effective and affordable, even at the reduced production quantities. This ability to remain affordable when quantities are reduced is attributable to the cost benefits derived from higher order quantities associated with the ASM approach of maximizing commonality in chassis design and components for the ASM systems.

ARMORED SYSTEMS MODERNIZATION (ASM)

QUESTION. What impact will decreases in procurement projections for the future tank, artillery piece, and fighting vehicle have on the overall cost-effectiveness of the total Armored Systems Modernization program? Why shouldn't the Army rethink its entire development and acquisition strategy for the Armored Systems Modernization program based on these new projections?

ANSWER. The ASM Cost and Operational Effectiveness Analysis (COEA) showed that the ASM program, even with decreased procurement projections, was more cost effective and affordable than either product improvement of our current systems or individual development and production of new systems. The necessity to modernize the systems encompassed in the ASM program has not diminished. As a result, the most prudent decision is to go forward with the most cost effective and affordable program for this needed modernization. Therefore, the Army should continue with the ASM development and acquisition strategy.

CFE TREATY MANPOWER AND EQUIPMENT REDUCTIONS

QUESTION. The Army is the service most impacted by the arms control limits expected in the Conventional Forces in Europe (CFE) treaty. U.S. Army forces stationed in Central Europe could be reduced significantly. The Army had about 210,000 military personnel in Central Europe at the end of fiscal 1989. What are the manpower reductions expected due to the CFE Treaty? What associated equipment also is expected to be withdrawn due to the treaty?

ANSWER. There are approximately 216,200 Army personnel in Europe. The President's CFE manpower initiative provides for a ceiling of 225,000 personnel in the Atlantic-to-the-Urals. The Army expects to retain approximately people in Europe, a reduction of personnel. Tanks, Armored Combat Vehicles, and Artillery Pieces will all be limited by the treaty.

FORCE REDUCTIONS

QUESTION. The Army plans to cut a division at Ft Hood, Texas, in fiscal 1991 to make room for another division expected to come out of Europe later. This is doubly disruptive. Why shouldn't the Army simply cut the European division?

ANSWER. It is reasonable and prudent to reduce Total Army force structure now in response to the declining Soviet threat and decreased availability of defense resources. The Army plan is to begin the reductions in CONUS to protect our arms control negotiating position and then reduce force structure OCONUS as the threat and treaty implementation dictates. To meet fiscal resource constraints, it is necessary to eliminate force structure in FY90 and FY91. A Ft Hood Division was the best choice for elimination because it does not foreclose options and allows future flexibility. Stand-down of a modernized heavy division is appropriate to the evolving threat and achieves substantial cost savings in operations, personnel, and equipment acquisition. Sunk costs are not lost at Ft Hood, and inactivation of a division there does not requires base closure.

ACCELERATED TROOP STRENGTHS

QUESTION. If required, could the Army accelerate into fiscal 1991 any of the European troop strengths associated with the arms control? What would be the savings associated with such an acceleration?

ANSWER. Currently tabled CFE cuts reduce U.S. forces in the European Theater to 225,000 (195,000 in the Central Region). If the treaty enters into force in FY91, this would allow the Army to target reductions in Europe that year and preclude even deeper CONUS cuts. We do not foresee being able to draw down any forces from Europe until sometime in FY91. There is no plan to accelerate the total force structure reductions for FY91 because such acceleration would cause undue turbulence to the force. The Army, therefore, is planning no additional force structure cuts and associated savings from such reductions beyond those currently outlined in our budget submission.

TRANSPORTATION COST SAVINGS

QUESTION. The Army has begun to reduce equipment shipments to Europe in expectation of the cutbacks due to the arms control treaty. What transportation costs savings are available in fiscal 1990 and fiscal 1991 due to this action.

ANSWER. Second Destination Transportation (SDT) cost savings for FY 90 are currently estimated to range between $60 and $65M. The savings result from full SDT funding not being required in FY 90 due to improved control measures being implemented at Army command level over transportation requirements coupled with the decision not to ship certain types of supplies in light of projected force structure reductions. The Army will request formal approval via a reprogramming action to apply these savings to a critical AMC pay of people shortfall in FY 90.

For FY 91, transportation savings are more difficult to determine at this time due to pending force structure decisions. An initial estimate identified in the budget is $19M. As final decisions on force structure are made, an assessment of the impact on the many areas of support to include transportation will be made. Savings which result from force structure reductions will be partially offset by the requirement to relocate troops and equipment from current locations as the Army rebalances its force.

PERSONNEL AND EQUIPMENT CUTBACK SAVINGS

QUESTION. Are any additional savings available in fiscal 1991 from the personnel and equipment cutbacks expected to be required by the CFE Treaty?

ANSWER. No. The Fiscal Year 91 President's Budget already reflects substantial reductions in Army personnel and equipment. If the CFE Treaty is approved soon, the Army may be able to target some additional cutbacks in Europe, but the overall size of the cutbacks Army-wide will be unchanged.

MARINES VS. ARMY FOR LOW INTENSITY CONFLICT

QUESTION. In response to a reduced Soviet threat in Europe and the recent "Just Cause" experience in Panama, the Army appears to be reorganizing to meet "low intensity conflict" scenarios in the third world. Of course this has always been the role of our other land force--the Marine Corps. General Vuono, what are the appropriate roles and missions of Army light forces versus Marine Expeditionary Forces? Where would we expect to use Army forces instead of the Marines?

ANSWER. The Army is not reorganizing anything - we have always devoted a substantial part of our forces to Low-Intensity Combat, historically and in recent times as well. Both the Army and Marines have parallel capabilities, but the resemblance is superficial. There are differences in geographic orientation and in sustainability. Throughout our entire history, both the Army and the Marine Corps have been involved in low intensity warfare. Beginning with the Indian wars of the 1800's, and the Philippine insurgency of the early 1900's--to cite just a few examples, Army expeditionary forces have been engaged in low intensity conflict. The Marines have a parallel history of LIC, although generally occurring near the ocean littorals. So as long as we want a land force capable of operations with the fleet, we will need Marines. In order to have forces capable of very rapid response and sustained operations in theaters world wide, we need the mix of heavy, light, and special operations forces that exist in the Army. The problems of LIC do not call for just the Marines or Army, they call for both.

The Army has always maintained the capabilities to respond to all threats across the operational continuum. The problems of LIC are not addressed by light forces alone. They require a balance of

capabilities provided by a mix of light, heavy and special operations forces. Nor do they call for combat forces alone. In fact, Army and Marine combat forces are used only as a last resort. Our first concern should be to prevent LIC from occurring by providing for the peacetime engagement of forces in the area of nation-building and security assistance. These missions call for capabilities in which the Army specializes and in some cases exercises sole authority. The second is to respond to threats of terrorism, drug trafficking, instability, and insurgencies. The third is to respond with appropriate force to regional conflict in the Third World when it threatens U.S. interests. In all these areas the Nation needs the capabilities of Army operational forces as well as the capabilities of the USMC. This gives the President the maximum flexibility in dealing with the challenges of low intensity conflict.

PROCUREMENT OF SERVICE SPECIFIC SYSTEMS

QUESTION. This committee is concerned that, as the Army begins to procure new systems for light contingencies, the Marines and Army will begin procuring separate system. For example, following the Panama experience, the Army intends to procure 72 "Armored Gun Systems". Yet, the Marines are already in the process of acquiring such an Armored Gun System program called the Light Armored vehicle 105 Assault Gun. Why can the Army not simply procure the Marine Corps' light armored gun? Why do you need to create a separate program if you intend to buy only 72? Can the Army continue to afford service specific systems for such small quantities?

ANSWER. The Army has reviewed the Marine Corps stated requirement for a new light armored assault vehicle and has determined that the roles and missions as well as the minimum acceptable deployability criteria were not acceptable to meet the Army's requirement for an Armored Gun System. The key differences between the two system requirements lie in the method of deployment. The Marine Corps' Light Assault Vehicle-Assault Gun (LAV-AG) program is designed to meet their unique deployability requirements for having an assault gun capable of amphibious assault operations (swim) and being airlifted by their primary heavy lift helicopter (CH-53E). The Army's Armored Gun System (AGS) must be capable of being rapidly deployed for contingency operations world-wide, while being compatible to the unique operational requirements of the XVIII Airborne Corps. To meet the operational and deployability requirements, the AGS must be designed for Low Velocity Air Drop (LVAD) with the primary means of delivery being by C-130, C-141B and C-17 aircraft. The LVAD requirement sets a weight limit of 35,750 pounds and system dimensions of 92.5 inches high. The Marine's LAV-AG has a weight limit of approximately 29,000 pounds in order to be airlifted by their CH-53E. To meet Army AGS armor protection levels the LAV-AG would require added armor which will exceed the 29,000 pounds lift limit required by the Marine Corps. This added weight is required to bring the protection level up to approximately the same level as the M551 Sheridan, the vehicle the Army wants to replace. Furthermore, the additional armor needed to meet the AGS protection requirements would increase the LAV-AG weight beyond its maximum design weight limit capability (32,000 pounds). The LAV-AG system has a basic chassis height of 73 inches. A 105mm turret would add a minimum of 27 inches for a total height of 100 inches. This height exceeds the maximum height requirement (92.5 inches) to conduct LVAD operations. The initial procurement of 70 systems is a near term solution to replace the aging fleet of M551A1 Sheridan Armored Reconnaissance Airborne Assault Vehicle in the XVIII Airborne Corps. The Army would prefer to buy this quantity for its near term requirements as a non-developmental item or as part of someone else's larger procurement. The Army would certainly want the same system the Marines are procuring if it met the AGS required operation capability and performed the unique XVIII Airborne Corps missions.

REPAIR AND IMPROVEMENTS IN GERMANY

QUESTION. The Army has a large number of bases in Germany, with a significant amount of funding required for repair and improvement. The budget does not indicate the total funding included in FY 1991 for these efforts. Mr. Secretary, what is the amount of funding included in the FY 1991 Army budget for repair and improvement of property in Germany?

ANSWER. The total amount of funding in the FY 1991 Army Budget for Real Property Maintenance Activities (RPMA) in Germany is $1.407 billion and is broken out as follows:

Operation of Utilities	$ .281 Billion
Repair & Maintenance of Real Property	$ .761 Billion
Minor Construction	$ .079 Billion
Engineering Support	$ .286 Billion

CFE FACILITY ELIMINATIONS

QUESTION. What effort has the Army made to identify those facilities for which the U.S. will no longer have a use under CFE? Is the Army deferring major repair and improvement projects at these facilities in FY 1990? If so, what is the value of these deferrals? What is the value of funding requested for these facilities in FY 1991, for both repair and maintenance? What is your recommendation for these projects?

ANSWER. The Army is conducting intensive reviews to determine which facilities and installations will no longer be needed post-CFE as the force structure picture develops. Consideration is being given to Host Nation requirements, SOFA, and national policies. USAREUR's major commanders have revised their FY 1990 and FY 1991 projects to conform to the post-CFE environment. Only critical operational, health and safety projects are being funded. All repair projects greater than $ 2 million require HQDA approval.

Until final decisions are made, information as to savings from specific project deferrals cannot be provided. However, in view of the fact that USAREUR's requested OMA funding in the FY 1991 budget covers less than the total annual maintenance and repair requirements, any resources which may be diverted from major projects at closing installations would be applied to urgent requirements at remaining facilities.

CHANGING TRAINING REQUIREMENTS

QUESTION. Several factors affecting DOD training requirements have changed recently or will soon change, including use of simulation, planned reduction in both the number of troops and forward-deployed forces, and reduction in low level flight training in Europe. Mr Secretary, how has the Army adjusted training plans and related budget requirements to reflect these changes ?

ANSWER. Today's Army is the best trained, most ready peace time force in our nation's history. As we enter this time of change, the Army will adhere to several fundamental imperatives, one of which is to continue to conduct tough, realistic training. The investment we have made in training for the past decade has produced the readiness for war that is the basis for credible deterrence and capable defense. Demanding training, accomplished to standard today, is one of the best investments we can make to ensure the Army's readiness tomorrow. We have adjusted our training requirements to reflect changes in force structure which are planned, however we have protected operating tempo for the force at present levels through the program years.

For a number of reasons the Army is looking to increased use of simulations to meet our training challenges. Integration of simulations in REFORGER 90 and the Combat Maneuver Training Center in Hohenfels, Germany are good examples of using simulation to offset high operating cost, protect the environment, and still achieve the desired training objectives. The Battle Command Training Program at Fort Leavenworth trains Division and Corps Commanders and their battle staffs solely through the use of simulation. These exercises replace large scale maneuvers previously required to achieve training for these command echelons. We are making appropriate investments to develop and sustain a Family of Simulations (or FAMSIM) and other training devices that will support training from individual combat vehicle crew through echelons above corps.

The Army's strategic roles are important elements of our overall national military strategy. The Army must maintain combat ready heavy, light and special operations forces for immediate contingencies world-wide. Selected exercises at our Combat Training Centers will train an appropriate mix of these forces in contingency operations.

In summary, training requirements have been adjusted based on planned force structure changes and the Army has made appropriate investments in emerging training devices and simulation technology to maintain readiness.

REFORGER/SIMULATION TRAINING

QUESTION. What were the results of the scaled-down FY 1989 REFORGER compared to previous REFORGER exercises?

ANSWER. The most appropriate comparison is between REFORGER 88 and REFORGER 90 through the latter's use of state-of-the-art training simulations coupled with a reduced scale field maneuver technique called Command Field Exercise (CFX).

REFORGER 90 achieved a 40% increase in command and control headquarters elements that were able to participate; a reduction of 40,000 soldiers and 4,000 armored vehicles maneuvering over the countryside; and a 60% projected reduction in maneuver damage claims.

The training fidelity of REFORGER 90 was of such realism that units participating through simulation or CFX were transparent to the Commanders and Battle Staffs of Central Army Group and its Corps/Division.

QUESTION. What other opportunities to use simulation to provide effective training are available or can be developed?

ANSWER. The Army has a variety of simulation based programs for the training of Brigade and larger forces.

The most salient of these is the Battle Command Training Program (BCTP). BCTP provides realistic stressful training for our Corps/Division Commanders and their Battle Staffs without the necessity to place large forces in the field. Since its start in 4th Qtr FY 88, 2 Corps, 12 Active Divisions, and 3 National Guard Divisions have completed this program.

The Army also employs simulations at the Combat Maneuver Training Center (CMTC) in Germany to link the instrumented Battalion Task Force in full field maneuver to battalions played via simulation. This technique will be considered for subsequent incorporation into the National Training Center (NTC) and the Joint Readiness Training Center (JRTC).

For joint and combined training, the Army has joined with the Air Force to fund and staff both the Warrior Preparation Center (WPC) at Ramstein AFB, Germany, and the Joint Warfare Center (JWC) at Hurlburt Field, Florida, to support the CINC's requirements for simulation based training.

Finally, the Army through its Family of Simulations (FAMSIM) has fielded Corps to Battalion software that operates from common hardware. It is designed to support BCTP and homestation training needs. It will also support the linkage of widely separated units to participate in major exercises without having to deploy from homestation.

MILAN, BILL, AND DRAGON MISSILE SYSTEMS

QUESTION. Mr. Secretary, the Fiscal Year 1990 Defense Authorization Act requires, in law, that the Army must conduct a side-by-side operational test with the MILAN II, BILL, and DRAGON II missile systems by the end of June 1990. What is the status of this operational test and do you anticipate completing this Congressionally directed test on time?

ANSWER. Although the test was Congressionally directed, it will not be completed on time because it cannot be executed with the funds which the law specified must be used. The Army is currently meeting with interested members of Congress in an attempt to resolve the funding issue and to obtain approval to reprogram funds to execute the test.

QUESTION. If the Congressionally mandated testing shows that either the BILL or MILAN II missiles are more capable than the current DRAGON II, what is the Army position on a limited procurement of one of these systems?

ANSWER. Regardless of the test outcome, the Army does not intend to procure either the MILAN II or BILL missile systems. Studies have shown that even a limited procurement for only two divisions will exceed 150 million dollars and create unique logistical, force structure, and training requirements. The DRAGON II retrofit has already been procured at a cost of 24 million dollars with no adverse logistical, force structure, or training impacts. DRAGON II is sufficient until AAWS-M can be fielded; any procurement of MILAN II or BILL will have only 18 months of utility before being replaced by AAWS-M. Having said this, it makes absolutely no sense to spend funds on any limited procurement of either the MILAN II or BILL systems.

INTERIM MEDIUM WEIGHT ANTITANK SYSTEM

QUESTION. Has the change in the threat had any impact on your requirement for an interim medium weight anti-tank system?

ANSWER. No. In fact, it adds to our argument that the Army is willing to take the risk with the Dragon II as our interim system until AAWS-M is fielded. The $24 million to convert Dragon to Dragon II has already been spent. When you consider the reduction in threat, it is hard to support spending an additional $200 million to buy another interim system such as Bofors Bill. When the force structure implications of inserting a crew served weapon such as Bill into our forces are added to the equation, the solution to wait for the AAWS-M is more apparent.

NON-LINE-OF-SIGHT MISSILE SYSTEM

QUESTION. Mr. Stone, since the Army has decided to defer the production of Fiber Optic Guided Missile program (FOG-M), also known as the Non-Line-Of-Sight Missile System (NLOS), should the Congress rescind the $32.5 million in advanced procurement funds appropriated for the fiscal year 1990 for this procurement program?

ANSWER. No, this funding was taken by the Office of the Secretary of Defense to support the DOD counter narcotics program.

QUESTION. If the Department of Defense has decided not to produce NLOS, why should research and development funding be continued in FY 1991. Does the fiscal year 1991 research and development request include funds for production related efforts? If so, what amount of funding should be deleted?

ANSWER. The Department of Defense intends to buy the NLOS system. The FY 1991 research and development request only includes those funds required to ensure that the system design can be mass produced efficiently. The one million dollars programmed for this production engineering and planning effort should not be deleted. These funds are a prudent investment that will be saved many times over in lower production costs.

PLANS FOR TROOP AND EQUIPMENT MOVEMENTS

QUESTION. The President has indicated that he expects the Conventional Forces Europe (CFE) treaty to be signed at the planned June summit, with entry in force possible as early as January 1991. This would significantly change both the number of forward-deployed troops and amount of supporting equipment. At the same time, this treaty will require additional efforts to verify compliance. Mr. Secretary, what plans have been made relative to CFE treaty implementation regarding troop and equipment movement?

ANSWER. The Army drawdown strategy, with regards to personnel stationed in Europe, includes a mix of policies to reduce the force while minimizing turbulence. These policies include:

- Undermanning units scheduled for inactivation.
- Allowing natural attrition, without backfill to reduce the personnel strength of inactivating units.
- Curtailing overseas tours of soldiers with insufficient time or unnecessary skills for transfer within the European theater.
- Voluntarily and involuntarily separating soldiers close to ETS.
- Intra-theater transfer of soldiers with sufficient remaining overseas time and needed skills.
- Involuntarily extending key soldiers when their presence is needed for the unit inactivation.

The strategy for equipment redistribution in Europe has been developed taking into consideration the on-going CFE negotiations and the constraints relative to Treaty Limited Equipment. The plan gives priority for equipment fill to forward deployed units remaining in Europe followed by: fill of POMCUS shortages; Theater Reserve Stocks; and Foreign Military Sales. The retrograde of equipment from Europe to CONUS will be closely managed to ensure critical readiness needs are filled and minimize transportation costs.

EXTENDING EUROPEAN TOURS

QUESTION. Has the Army considered extending the current tours of personnel stationed in Europe in light of expected troop reductions?

ANSWER. The Army is reviewing personnel programs to support troop reductions in Europe. Extending the tour length for all soldiers in Europe is not being considered. Tour length changes require Services coordination and approval from the Office of the Secretary of Defense. Army is considering a proposal to involuntarily extend the foreign service tour of selected key soldiers, for not more than six months, if required to support unit moves or inactivations.

EQUIPMENT REMOVED FROM EUROPE

QUESTION. How many U.S. tanks, fighting vehicles, guns, etc. will have to be removed from Europe under the U.S. CFE proposal? What would be destroyed?

ANSWER. The CFE treaty will require the destruction of all systems in excess of agreed equipment ceilings. The SHAPE reduction plan, tentatively agreed to by the U.S., requires the U.S. to reduce

All assets to be reduced will be offered to the allies or destroyed in accordance with CFE treaty requirements. This would ensure that NATO retains the most modern and capable post CFE force.

LHX

QUESTION. Secretary Stone, the Army's flyaway unit cost estimate for LHX is $7.5 million in 1988 dollars. This estimate is contingent on a production rate of 216 helicopters per year and a total program of 2,100 helicopters. The Army has already officially informed Congress that it no longer plans to procure 2,100 helicopters at a production rate of 216 helicoptes per year, higher than any other helicopter program in recent history. I am told that, as a result of your 1992 budget process, the Army has developed an estimate for a significant number of LHX alternative procurement profiles. What is a more realistic unit flyaway cost for LHX given the smaller total program and a more realistic rate, such as 72 helicopters per year, the current for UH-60 Blackhawks?

ANSWER. The Demonstration/Validation (Dem/Val) program objective is to achieve the best Light Helicopter (LH) system which meets the 7,500 lbs combat empty weight and $7.5 (FY88 $) million unit flyaway cost for 2096 aircraft at 216 per year peak rate. Ongoing force structure alternatives do include potential lower quantities and production rates for the LH Program. Every alternative under consideration maintains the light fleet replacement concept for the LH, with total quantities not sufficiently below 2096 to cause a significant perturbation in program economics. None of these alternatives includes a rate as low as 72 aircraft per year (minimum economic rate from a single production line). We will continue to require that competing LH industry teams pursue performance/cost/weight/cost tradeoffs to achieve the best aircraft system to meet program goals. It must be recognized that LH will be procured at economic rates throughout the acquisition cycle.

The LH Full Scale Development solicitation will emphasize submission of industry proposals that provide the Government the most value for the least cost. This will be heavily weighed during source selection.

QUESTION. If the cost per units stays at $7.5 million, then what elements/capabilities would be removed from the LHX?

ANSWER. Competing industry teams have been provided LH requirements and instructed to conduct performance/cost/weight trade studies to provide the Army the best system which achieves the 7,500 lbs combat empty weight and the $7.5 million (FY88 $) unit flyaway cost objectives. Further, they have been provided a detailed description of source selection weighting for each area. The Army is confident that each industry team will provide a competitive design that meets or exceeds future warfighting needs well into the 21st Century.

LHX

QUESTION. Does the LHX unit cost include the cost of the Longbow radar and missile system? If not, how much more will this cost per aircraft (including LHX specific Longbow R&D)?

ANSWER. The average unit flyaway cost in FY88 constant dollars is $7.5 million for 2096 aircraft produced at 216 per year by two contractors in a competitive environment. This unit cost does not include LONGBOW. The plan is to incorporate LONGBOW on 700 Light Helicopters (LH). The LONGBOW-only unit flyaway cost for 700 systems is $1.5 million in FY88 constant dollars.

Summarized	(FY88 $)
Unit Flyaway Cost for LONGBOW (700 Units)	$1.5 million
Unit Flyaway Cost for LH (2096 Units)	7.5 million
Unit Flyaway Cost for LH with LONGBOW	$9.0 million
Unit RDT&E for LONGBOW (700 Units)	.216 million
Unit Cost for LH with LONGBOW (Including Specific RDT&E)	$9.216 million

QUESTION. Considering changes in the threat, why can't the Army delay LHX and retain OH-58A and OH-58C in the scout role?

ANSWER. The potential for US force engagement remains global and the quality of the surface based threat continues to improve and proliferate. The technological gap between the 3rd world and our Army is narrowing. The LH replaces the OH-58 A/C and AH-1 which have limited mission capabilities in many potential regional threat areas. The aircraft cannot carry sufficient fuel and armament under high altitude/hot temperature environments. The OH-58A/C have no sensors and navigation systems needed to operate with the rest of the force in night, battlefield obscurants or in adverse weather. They can not self deploy to quickly meet contingency needs and have limited hardening against threat weapon systems which are found throughout the world. OH-58 A/C deficiencies were noted in the 1970's, and formally addressed in the 1982 Aviation Mission Area Analysis. In short, the OH-58 A/C and AH-1 are difficult to get to the fight, have limited utility in the fight, have questionable survivability and limited growth to meet the current and projected threats. The LH meets current as well as projected battlefield requirements.

OH-58 A AND C

QUESTION. What is the Army's total inventory of OH-58 A and C aircraft? Technically, how many of these could be converted to the OH-58D AHIP configuration (without regard to legislative or budget limitations)?

ANSWER. The Army currently has 1047 OH-58A and 563 OH-58C aircraft for a total of 1610. Program Budget Decisions (PBD) require that 134 of these aircraft be retired prior to the end of fiscal year 1994. In addition, potential force reductions may cause the retirement of an additional 100 to 500 of these aircraft during the next few years. All of the remaining aircraft, approximately 1000 to 1400, could be converted to the OH-58D WARRIOR configuration.

ARMY RESERVE COMMAND AND CONTROL

QUESTION. Secretary Stone, there has been substantial concern in Congress that the Army Reserve is the only reserve component that does not control its own budget and exercise command authority over its own units. Last year the House Appropriations Committee withheld $100 million in Army headquarters management funds until the Army assigned such control to the Chief of the Army Reserve. In conference, this Committee got the House to remove this limitation. However, the House and Senate compromise required the Army to produce a plan to put the Chief of the Army Reserve in greater command of the Army Reserve. This study was due on March 15, and we understand it will be submitted to Congress tomorrow. Could you please summarize the results of this study? How does the Army intend to provide new authority to the Chief of the Army Reserve?

ANSWER. A draft plan was developed by the CG, FORSCOM, in consultation with Chief, Army Reserve (CAR). However, the changing nature of the strategic environment, coupled with the new fiscal constraints, requires that the specifics of the plan be reviewed. Changes in the strategic environment have significantly affected the planning factors of the Army. The impending CFE agreement, the reality of reduced fiscal resources, and a significant change in the Soviet/Warsaw Pact threat are causing us to reexamine our total force structure. Current efforts underway within the Department to evaluate all forces, headquarters, and units organized under tables of distribution and allowances (TDAs), along with the congressionally directed Total Force Policy Study, will affect force policy, structure, and assignment of missions within and between the Active Army and Army Reserve. The command and control arrangement for the Reserve Component and its relationship to the Active Army must be harmonized with this process. As events unfold, we will be in a better position to make the right decisions concerning Army Reserve Command and Control. Meanwhile, CG, FORSCOM, along with the Chief, Army Reserve, will continue their planning efforts so that the final solutions can be implemented as soon as possible.

QUESTION. General Vuono, the Chiefs of the Navy, Air Force Reserves, Air National Guard and Army National Guard directly supervise their own forces but the Chief of the Army Reserve does not. If he does not control his own force--then what does the Chief, Army Reserve, do?

ANSWER. The Chief, Army Reserve, is my principal advisor on Army Reserve matters, with specific emphasis on the development, readiness, and maintenance of the USAR. He advises my staff in formulating and developing department policies affecting the Army Reserve. The CAR has been and will be a critical member of my staff as we move to restructure the Army in response to the changing security environment.

QUESTIONS SUBMITTED BY SENATOR LEAHY

PROPELLANTS FOR AFAS

QUESTION. General Vuono, I understand that the Army is considering several propellants for the Army Advanced Field Artillery System (AFAS). These are liquid, electrothermal-chemical (ETC) and unicharge. Is this information correct? If so, when will the Army make the final decision on which type of propellant to use? Has the Army completed the initial testing on an ET system? If so, could you please provide a summary of the results? How far along is testing on liquid propellants? If possible, please provide a summary of the data from these tests as well.

ANSWER. The Army has been actively researching and developing all three of the propulsion candidates you mentioned. These efforts fully comply with the direction to the Secretary of the Army in the FY90 Defense Appropriations Joint Conference Report that the three propellant candidates be considered for the AFAS.

The Army is in the process of conducting the first propellant evaluation. Tests are being conducted, along with supporting analyses, of the Unicharge and Liquid Propellant (LP) candidates. This evaluation will culminate in a downselect decision between the two by the end of FY 1991. The selected candidate will undergo advanced development and will be incorporated into the AFAS Advanced Technology Transition Demonstrator (ATTD) starting in FY 1992.

The Army has completed initial testing of the ETC designs (FMC Corporation and General Dynamics Land Systems). These were evaluated in a 120mm gun to determine the state-of-the-art of this technology. Each candidate fired 27 rounds and both encountered difficulties in controlling their ballistic processes. The performance levels (energy and velocity) did not exceed those of the current 120mm gun system. While the designs demonstrated potential, it also was evident that the ETC technology was not as mature as originally thought. Because the potential payoff for this technology is very high, however, the Army will continue to pursue demonstration of ETC for application to future tank and artillery systems. If this effort proves out the maturity of the technology, then it will be integrated into an ETC ATTD beginning in FY 1993.

These two ATTDs (AFAS and ETC) will be evaluated simultaneously during the FY 1994-1995 timeframe with the intent of a propulsion downselect decision prior to an AFAS Full Scale Development (FSD) decision in FY 1995.

Considerable testing has been accomplished to date with the LP candidate that has been under laboratory and engineering development since 1984. Over 1000 rounds have been fired in a 30mm hardstand fixture and over 100 rounds in a 105mm gun. The former included 10 round bursts at a rate of approximately 7 rounds per minute. Additionally, over 175 rounds have been fired in the first generation 155mm brassboard gun. In May 1990, firings will commence in a fully automated 155mm gun. This propulsion evaluation will demonstrate continuous zoning, that is, the process of firing increasing quantities of LP, up to the capacity limit of 14 liters.

Increased quantities of LP will yield increased muzzle velocities. The LP will have a fill rate of 10 liters per second into the test gun. Other evaluation parameters will include a three round Time-on-Target, and a firing rate of 6 rounds per minute. It is expected to produce muzzle energies of 22.5 megajoules (MJ) and muzzle velocities consistent with ranges from 6 to 45 km. Initial testing of this system will be at the contractor's facility, General Electric, Malta, New York. Subsequent testing of an LP gun in a system configuration will take place at the Army's Yuma Proving Ground. If LP is selected over Unicharge at year-end FY 1991, then full achievement of AFAS operational performance requirements using LP will be integrated into the AFAS ATTD (FY 1992-1995).

155mm firings using LP have demonstrated excellent muzzle velocity uniformity and repeatability. The following table indicates LP performance which is comparable to what can be obtained using bag propellants.

Propellant Performance: LP vs Bag

CALIBER	EQUIVALENT BAG CHARGE	LP CHARGE	ACHIEVED MV	UNIFORMITY (%-STD-DEV)
155mm	Zone 2	1 Liter	303 m/sec	0.53
155mm	Zone 5	2 Liters	393 m/sec	0.44
155mm	Zone 7	5 Liters	586 m/sec	0.25

Other test data shows acceptable performance by LP in temperature regimes from -45 deg C to +65 deg C. Insensitivity and vulnerability testing is also ongoing. The Vulnerability Assessment Panel testing is scheduled to be completed next year. Results thus far indicate that LP will be classified as insensitive. Additionally, the by-products of LP combustion are water vapor, nitrogen, and carbon dioxide which enhance weapon survivability by producing no position revealing muzzle flash. Biomedical research testing and evaluation indicate that LP is not carcinogenic. It is, however, a minor skin irritant and mildly toxic, but remedial and antidote treatments are available which reverse all side effects.

ADATS

QUESTION. General Vuono, I would also like to know about any modifications to the Army's plan to purchase the ADATS system. What is the current multi-year procurement plan for ADATS? Has the Army made any modifications to this plan since the proposals to reduce the number of U.S. troops in Europe? Does the army feel it needs as many ADATS today as it did one year ago?

ANSWER. There has been no modifications to the Army's plan to purchase the ADATS weapon system. Currently, there is no multi-year procurement plan for the program. Currently, 562 ADATS fire unit's are required. However, as the Army's heavy maneuver force requirements change due to the Conventional Armed Forces Europe (CFE) negotiations, the ADATS requirement will also change. The final total of ADATS fire units required will be reduced, as appropriate, to match the finalized post CFE force structure.

QUESTIONS SUBMITTED BY SENATOR DeCONCINI

ATTACK HELICOPTER REQUIREMENTS

QUESTION. With the very real prospects for a CFE agreement being reached this year, what will be our attack helicopter requirements in a post-conventional forces Europe Environment?

ANSWER. A CFE agreement as currently expected will have minimum impact on attack helicopter requirements in post-CFE environment. With an AH-64 procurement objective of 807, the Army's basic philosophy of fielding the AH-64 to mechanized/armor divisions and corps has not changed. The light divisions, both Active and Reserve Components, will retain AH-1 Cobra attack helicopters until the LH is fielded. The LH will replace both the AH-1 attack and the OH-58 scout. Attack helicopter modernization efforts continue for Reserve Component attack aviation units supporting light forces. Attack battalions that have not been modernized and are equipped with early model AH-1 and obsolete UH-1M attack aircraft will be equipped with the fully modernized AH-1F Cobras. Availability of AH-1Fs to the Reserve Components will accelerate as we field the Armed OH-58D to XVIII Airborne Corps air cavalry units and implement planned force structure reductions. Given planned force structure reductions in both Active and Reserve Components over next several years, the total number of attack helicopters will meet total force structure requirements.

QUESTION. Do we have a pressing need for heavy, tank killer helicopters?

ANSWER. Yes. The Soviet military, as well as the military of many Soviet client states, remains an armor-heavy force. Until that force is altered, and there is no threat to the US, its interests, or its allies, US forces have a need for heavy attack helicopters capable of defeating a modern armor threat. The AH-64 Apache was designed for the anti-armor mission and built to carry out this mission as part of the armor/artillery/mechanized infantry combined arms team. Thus, the Army's basic philosophy on fielding the AH-64 has been predicated from the start on fielding to mechanized and armored divisions and to corps -- organizations that must confront the greatest armor/mechanized threat and that can best employ the speed and responsiveness of the AH-64 over wide areas. The Army's fleet of 807 Apaches, the last of which to be procured in FY90, satisfies the requirement for a heavy attack helicopter.

HELICOPTERS STATIONED IN EUROPE

QUESTION. Under a CFE agreement, what will we do with the AH-64 Apache helicopters currently stationed in Europe? What about the OH-58D Kiowa Warriors? Will they be scrapped, transferred to other European countries, or transferred to the United States?

ANSWER. Current estimates of a post CFE force structure in Europe do not require a significant reduction of AH-64s and

OH-58Ds stationed in Europe. There will be a reduction of older AH-1 Cobras under the treaty and these will re-distributed to CONUS and Reserve units, allowing them to retire the oldest Cobras. If a CFE agreement reduces the number of attack helicopters in Europe more than now estimated, the AH-64s and OH-58Ds will be re-distributed in accordance with DA priorities, allowing the retirement of more older, day only, AH-1 Cobras.

DELIVERY OF APACHES TO THE NATIONAL GUARD

QUESTION.Have there been any delays in the current schedule for delivery of Apaches to National Guard Units? Where does the Arizona National Guard stand in relation to other guard units in receiving its scheduled Apache battalion? When should the Arizona National Guard expect to see delivery begin on its Apaches?

ANSWER. No. There have not been any delays in the delivery of Apaches to National Guard units. The Arizona National Guard unit, the 1-285 Aviation Attack Helicopter Battalion, is programmed for fielding as the 31st Apache Battalion. The unit's conversion effective-date (E-date) is May 1992. It is the 6th of 12 projected National Guard Apache Battalions. Initial aircraft delivery is programmed for the fall of 1991.

CHANGES IN LH PROGRAM

QUESTION. Originally, the Army planned on buying 4,200 LHs at a total of $68 billion. That number has been revised downward to 1,875 LHs for $35 billion. As Secretary Cheney has ordered a review of the LH program, in addition to the other Air Force programs, do you expect to see a change in either the number of LHs purchased or the cost of the program?

ANSWER. The Demonstration/Validation (Dem/Val) program objective is to achieve the best LH system which meets the 7,500 lbs combat empty weight and $7.5 (FY88 $) million unit flyaway cost for 2096 aircraft at 216 per year peak rate. Ongoing force structure alternatives do include potential lower quantities and production rates for the Light Helicopter Program. Every alternative under consideration maintains the light fleet replacement concept for the LH, with total quantities not sufficiently below 2096 to cause a significant perturbation in program economics. We will continue to require that competing LH industry teams pursue performance/cost/weight/cost tradeoffs to achieve the best aircraft system to meet program goals. It must be recognized that LH will be procured at economic rates throughout the acquisition cycle.

The LH Full Scale Development solicitation will emphasize submission of industry proposals that provide the Government the most value for the least cost. This will be heavily weighed during source selection. Subsequent to source selection, future budgetary documentation will be modified, if necessary, to reflect minor adjustments for the cost associated with the winning LH design.

LH-OH-58 REPLACEMENT RATE

QUESTION. The Army's aviation force structure estimates show a nearly one-to-one exchange of LHs for OH-58s between 1990 and 2008. The OH-58 is a fairly new system. The relative cost of the LH to the OH-58, however, is substantial, especially for a one-to-one replacement. How do you rationalize the replacement rate?

ANSWER. The replacement of OH-58A and OH-58C aircraft by LH's is not a one-for-one replacement. In Cavalry units, 8 LH's replace 4 AH-1's and 6 OH-58's. In Light Division attack battalions, 25 LH's replace 21 AH-1's and 13 OH-58's. In heavy division attack battalions, 10 LH's replace 13 OH-58's and the number of AH-64's is reduced from 18 to 15. The OH-58 is not a fairly new system. The average age of the OH-58 fleet is 20 years; when replaced by LH these aircraft will be over 30 years old. The OH-58D, introduced in 1986, is a rebuild modification to the OH-58 and will serve as an interim solution in high priority units and until replaced by LH's. The armed version of the OH-58D costs about $6.2 million (FY88 $) as compared to $7.5 million for the LH. The OH-58D has very limited growth potential, minimal crashworthiness and ballistic protection and poor speed and payload capabilities. This makes it an interim solution only until LH's can be fielded.

Not only do a lesser number of LH's replace greater numbers of OH-58's and AH-1's, the significant increase in lethality and survivability of the LH far exceeds the obsolescent capabilities of the aircraft it replaces.

OH-58

QUESTION. What do you plan on doing with the OH-58s which apparently, even though the most recent buys are now being armed, will not be part of active duty force structure in 2008?

ANSWER. All Army OH-58Ds will eventually be armed. As Light Helicopters (LH) enter the inventory, they will displace OH-58Ds as well as other older, less capable or obsolete aircraft models.

These displaced OH-58Ds will be transferred to active component units that have a lower priority. This pattern will continue until all OH-58Ds are moved into reserve component units.

The OH-58D has a 20 year life cycle, which will keep it in the Total Army inventory until the year 2012 or until it is retired sometime after 2012.

FORCE STRUCTURE IMPACT STATEMENT

QUESTION. On the Force Structure Impact statement which calls for a smaller force, but with more effective and efficient use of resources, you indicate a substitution of 6 OH-58s and 4 AH-1s for 8 LHs in a cavalry unit and 13 OH-58s and 18 AH-64s for 15 AH-64s and 10 LHs in an attack battalion (heavy division). The number of planes in each groupings differ only slightly, as do the required maintenance personnel and the required maintenance hours, in most instances. In the current strained and declining defense budget climate, given the high cost of the LH program, how do we rationalize the cost versus the benefits of the program? How much more efficient do the LH make the overall force structure?

ANSWER. The U.S. Army must maintain maximum flexibility with system alternatives to meet uncertain threat environments. The LH is a key system for the smaller but more sustainable strategic Army. The LH benefit is measured in deterrence/warfighting capability. In its reconnaissance role, it sees the battlefield for the commander, protecting the force, while denying enemy knowledge of our intentions. In addition, LH addresses declining resources by replacing the current light fleet with 25% less aircraft structure and requiring 25% less wartime manpower while producing a three fold increase in OPTEMPO and a 100% increase in effectiveness. The LH meets the current and future threat. The current light aviation force doesn't. The LH is both the most efficient and effective alternative for modernization.

LH AND LONGBOW

QUESTION. I hear that the plan is to eventually add the LONGBOW -- a fire and forget HELLFIRE capability -- to the LH. Based on current estimates, what is the impact on LH performance -- speed, dash speed, climb rates, etc. -- from adding the extra weight and what persuades you that the degradation is acceptable.

ANSWER. LONGBOW will be installed on 700 out of 2096 LH's. The extra weight and drag of the LONGBOW system is estimated to reduce the LH dash speed by approximately 15 knots, if not downsized for LH application. If downsized, the resultant dash speed reduction would be less. However, it must be emphasized that with LONGBOW integration LH will continue to retain agility/maneuverability and speed characteristics superior to existing systems. The increase in adverse weather target acquisition capability for those selected LONGBOW LH's makes a significant contribution on the battlefield. Emerging cost and operational effectiveness results indicate that the slight degradations in performance do not adversely affect combat effectiveness and the usefulness of LONGBOW far outweighs these degradations.

APACHE

QUESTION. Much is being made of the APACHEs O&S cost, or the cost per hour to operate the aircraft and keep it maintained and repaired. It is my understanding that the total cost to operate an APACHE in Fiscal Year 1990 is in the neighborhood of $4,000 per hour. That sounds high to a layman like myself, but I am told that figure includes the payroll of the flight and maintenance crews, which is approximately $2,000 out of the $4,000 or 50%. Are these numbers in the right ball park for the operating cost of an APACHE?

ANSWER. Yes. Actual FY 90 rate is $3,924 of which $2,003 is for flight and maintenance crews. Figures are based on the Directorate of Cost Analysis Paper (DCA-P-103), "Cost per Flying Hour Methodology".

O&S COSTS

QUESTION. The O&S cost includes: 1) Replenishment spares and repair parts; 2) Depot maintenance; 3) Fuel; 4) Personnel; 5) Other miscellaneous items. Would you provide for the record a description of what is included in these categories?

ANSWER. 1) The element replenishment spares includes the Procurement Appropriation funded cost required to replenish wholesale inventory stockage for reparable components, assemblies, and subassemblies used on a recurring basis to sustain major end items of equipment subsequent to fielding.

Replenishment repair parts include the Operation and Maintenance (O&M) appropriation funded costs for replenishment repair parts required to resupply initial stockage. This element includes consumable and reparable parts, assemblies or subassemblies required on a recurring basis for the repair of spares or major end items of equipment subsequent to fielding.

2) Depot maintenance covers the costs of overhaul of secondary items and overhaul and modification of end items.

Overhaul of secondary items includes the O&M funded costs of materiel, civilian labor, and overhead for the repair and overhaul of the procurement-funded and OMA-funded reparable components at depot level. The materiel, labor, and overhead for contractor performed depot overhaul of secondary items is included. The cost of military personnel involved in depot overhaul is excluded.

Overhaul of end items includes the O&M funded costs of materiel, civilian labor, and overhead for the repair, overhaul, and modifications of the basic end item at the depot level. The materiel and labor cost for the contractor performed depot overhaul of the end items is included.

3) Fuel consist of the O&M appropriation funded costs of petroleum, oil and lubricants for the aircraft system.

4) Personnel covers military personnel costs and includes the crew pay and allowances, per diem, maintenance pay and allowances, system specific (indirect) pay and allowances, officer/enlisted permanent change of station, leave and holiday accrual, other benefits (officers/enlisted), and retired pay (military).

5) Other miscellaneous items included are field maintenance

civilian labor. This labor includes the O&M funded cost of civilian maintenance labor at any level below depot maintenance. The labor cost for installing modification kits outside of the depot is included here.

AH-1 COBRA

QUESTION. I also understand that the O&S cost for the AH-1 COBRA attack helicopter in Fiscal Year 1990 is roughly $3,000 per hour. Of that $3,000, $2,000 are people costs, essentially the same for the APACHE. Is that about right?

ANSWER. Yes. Actual FY 90 rate is $3,029 of which $2,017 is for flight and maintenance crews. Figures are based on the Directorate of Cost Analysis Paper (DCA-P-103), "Cost per Flying Hour Methodology".

APACHE VERSUS COBRA

QUESTION. The Apache apparently costs one-third more to operate than the old COBRA does, $4000 an hour versus $3000 per hour. My guess would be that the extra $1000 is due to maintaining the sophisticated weapons system the APACHE -- the system that provides HELLFIRE missile capability and the ability to operate at night and in adverse weather as well as daylight. These capabilities were what make the APACHE able to knock out targets in Panama at night -- where the COBRA would have been useless. It seems to me that the APACHE is a bargain if it only costs one-third more to operate than a COBRA and it provides those capabilities to operate where the COBRA can not. What is your reaction?

ANSWER. The Apache cost per flying hour for FY90 is $3,924.00, including $2003.00 for crew and maintainer pay. In addition to the sophisticated night and HELLFIRE systems, the twin engines of the APACHE increase this cost over the day only, single engine COBRA. The Army considers this cost to be a bargain when the APACHES increased capabilities and lethality are compared with the aging Cobra attack helicopter, and the benefits of twin engine safety and survivability are factored in.

APACHE READINESS

QUESTION. As I recall, a year ago readiness was between 10 and 15 percentage points below the Army goal of 75 percent. The GAO reported rates some 10 percentage points lower yet. During that period there was substantial storm damage to Apaches at Ft. Hood and other locations which placed large demands on the supply and maintenance system. How much of the reported readiness problem was related to storm damage?

ANSWER. The adverse impact of the 13 May 89 storm on APACHE readiness resulted in 118 aircraft or 26% of the worldwide fleet being damaged. The APACHE readiness posture of Mission Capable (MC) decreased 18% from May to Jul 89. As aircraft were repaired and repair parts caught up with increased demand, readiness increased 15% MC.

APACHE

QUESTION.My staff continues to hear that the number of maintenance man-hours available to maintain the APACHE is under the number prescribed in the system requirement document. I also understand that the Army is well along in adding 35 maintenance personnel to each APACHE unit and in converting other slots to electricians for example. General Vouno, what adjustments is the Army making to adequately support the APACHE?

ANSWER. During the development of the APACHE Table of Organization and Equipment (TO&E), the Army constrained the number of personnel in the APACHE unit to about the same number in the older AH-1 Cobra unit. The Army believed that this would provide an adequate number of maintenance personnel given improved test equipment and component reliability over the Cobra. However, we have not realized all the improvements expected, and input from our major unit commanders indicate a need to increase the number of maintenance and other support personnel in the APACHE battalions. While the Army recognized the need to increase the number of maintenance personnel in APACHE units, we had to resource this increase through trade-offs of personnel from other units if we were to remain within the desired Army end-strength. The major unit commanders are currently examining the trade-offs and have submitted their recommendations.

The 35 personnel that you address include a variety of skills that are deemed necessary to increase support in the APACHE units. The 35 person increase includes 20 aviation maintenance personnel and nine other support personnel, i.e. fuel handlers, communications specialists and heavy vehicle mechanics, as well as four utility aircraft pilots and one scout aircraft pilot.

APACHE ATTRITION AIRCRAFT

QUESTION. I also understand that the report requested by the Appropriations Committees on completing the Army Aviation Modernization Plan says that no additional APACHES are required to fully modernize. My staff's review of Army allocation of the 807 funded aircraft found few, if any, attrition aircraft. I note that 11 aircraft have been lost in the 5 or so years of field use. As the number of aircraft fielded increases, yearly losses will increase. Shouldn't the Army and Congress be providing more attrition aircraft before the production line closes to prevent under equipping units or having to "hollow-out" the Army in the future?

ANSWER. No. The Army's 807 total Apache aircraft buy provides sufficient additional aircraft for training, repair and readiness float and attrition against future losses. Given planned force structure reductions in both Active and Reserve Components over the next several years, the total buy of 807 AH-64 helicopters will meet force structure requirements and is reasonable. The Army will have sufficient AH-64s to resource attack helicopter units needed for our programmed armor/mechanized organizations while maintaining a prudent float account. In continuing to modernize the Total Army in this environment of reduced resources, we have conducted substantial risk analyses and made tough choices to achieve an acceptable security posture.

APACHE FLOATS

QUESTION. The current Army plan is to have a total of 807 Apaches assigned to 26 active and 14 Guard and Reserve battalions. What is the normal planning percentage for Repair Cycle Float in a helicopter program? How many Apaches are allotted for Repair Cycle Float in the Army plan? Please explain your answer. Do Army plans normally include providing for aircraft attrition?

ANSWER. The normal planning percentage for Repair Cycle Float (RCF) in a helicopter program is five percent. Thirty Four Apaches are allotted for Repair Cycle Float in the Army plan. Resourcing Active Components (26) with 18 aircraft per unit and Reserve Components (14) with 15 aircraft per unit requires a 678 total Apache force structure. Total 678 aircraft X 5 percent RCF = 34 aircraft. Yes, Army plans include providing for aircraft attrition.

APACHE

QUESTION. How many APACHES are allotted for attrition in the Army plan? Please explain your answer.

ANSWER. The AH-64 now has five years crash experience with which to base an attrition model. The factors result in four aircraft per year based on peacetime replacement and crash damage criteria; four aircraft per year are in the plan.

APACHE REPAIR CYCLE FLOAT

QUESTION. What acquisition of Repair Cycle Float and attrition aircraft consistent with a 40 battalion force represent at least one full year of additional production of Apaches?

ANSWER. Three (3).

QUESTION. OPERATION "JUST CAUSE" in Panama appears to be a good example of the kind of conflict our forces are most likely to experience, particularly in light of the dramatic reduction in the conventional threat in Europe. The AH-64 APACHE is generally considered the best tank killer the Army has, yet it was deployed to Panama, a lower intensity situation. What is your opinion of the APACHE's performance in Panama? What about its value generally in the new low intensity, rapid deployment scenarios?

ANSWER. During Operation Just Cause, the APACHE performed as expected. Highlights of the operations were mission readiness, Operations Tempo (OPTEMPO), repair turn-around times, attack aircraft stand-off capability and night operations. Eleven APACHEs flew over 238 flight hours with 138 hours at night during the operation. Although the basic fielding philosophy calls for employment of the AH-64 only with heavy divisions, the Army originally decided to field the aircraft in the 82nd Airborne Division and the 101st Airborne Division (Air Assault) as an interim measure to improve anti-armor capability. The APACHE's value was definitely an asset in Operation Just Cause and would be in future new, low intensity scenarios. However, because of deployability considerations with the APACHE, the 82nd Airborne Division's AH-64 battalion will be replaced by a battalion of Armed OH-58D Warriors in FY 93, and the 101st Air Assault Division's AH-64 battalion will be replaced by a battalion of the new Light Helicopter (LH) in FY 2000. Because of their priority and quick reaction missions, the cavalry squadrons of the 82nd Airborne Division and the XVIII Airborne Corps are also getting the multipurpose Armed OH-58D Warrior beginning late 1990. Had the XVIII Airborne Corps had sufficient Armed OH-58Ds during the Just Cause Operation, these would have been used in Panama instead of the APACHE, primarily because the OH-58Ds are smaller and much easier to deploy.

OH-58D and NG DRUG INTERDICTION

QUESTION. Arizona's Adjutant General, General Owens, is very supportive of using the Kiowa Warrior for drug interdiction along the southwest border for a couple of reasons. First, the OH-58D is used in normal Army aviation surveillance support of the Apache attack helicopter. Gaining the OH-58D would dovetail perfectly with General Owens regular, on-going attack helicopter training requirements. Second, the OH-58D would allow the Arizona National Guard to actively participate in supporting the Customs and Border Patrol drug interdiction mission along the southwest border. Also, the OH-58D crews, as they perform the anti-drug surveillance mission, would be provided much of the training that would be required to be "combat ready". Does not this dual purpose of the OH-58D deployment along the southwest border really give the Army a double bang for the buck?

ANSWER. The Kiowa Warrior is a very capable armed reconnaissance aircraft, with Forward Looking Infrared (FLIR), laser designation, and Low Light Level TV systems, as well as sophisticated air-to-air and air-to-ground weapons systems. It is not being fielded to Apache attack helicopter units nor to reserve component units because the limited quantity available restricts it to our highest priority units.

The Army's distribution priority for the 243 Kiowa Warriors is to the training base, the XVIII Airborne corps for contingency operations, and to forward deployed Cavalry and contingency units. The 243, out of a requirement for over 500, will not allow the Army to divert OH-58Ds to State National Guard units to perform anti-drug missions.

QUESTION. President Bush, in his January 1990 Drug Control Strategy, gives a high priority to improving our ability to coordinate our interdiction efforts and to improve our drug intelligence capabilities. In fact, one of the Administration's priorities is the completion of the command, control, communications, and intelligence systems of Customs and its integration with the Defense Department's Joint Task Forces, including JTF-6 in El Paso. The advantage of the OH-58D is that it will provide our interdiction agencies with an effective real-time drug information and intelligence to the Customs C3-I at March Air Force Base in California. In short, it appears that this plane will help implement the President's call for better drug intelligence. Is the Army planning on using any other surveillance asset that has the capabilities? Can such an asset tie into the C3-I centers?

ANSWER. The Army has no other assets with the capabilities of the OH-58D helicopter. Other platforms with similar capabilities such as forward looking infrared detectors (FLIR) and low light video systems are being employed in support of drug interdiction operations. None of these systems have the target hand-over capabilities of the OH-58D. Use of OH-58D target hand-off systems in the Customs Service C3-I headquarters would require acquisition and installation of receiving/processing systems capable of interfacing with the aircraft.

The Army has identified requirements for 507 OH-58D helicopters. It has an approved procurement objective of 243, and has approximately 160 at this time. First priority for assignment of the OH-58D is to the XVIII Corps for contingency operations, followed by combat units deployed outside the United States. At the current rate of production the delivery of all 243 aircraft will be completed in fiscal year 96.

QUESTION. The National Guard Association has concurred that the OH-58D would help our anti-drug effort, and at the same time, improve our traditional National Guard mission requirements. Do you agree with the National Guard Association that the OH-58D would be an excellent drug surveillance tool? If not, what was the purpose of the Army demonstration last year to allow drug enforcement agencies to view the capabilities of the OH-58D as a drug surveillance asset?

ANSWER. The OH-58D is an excellent reconnaissance aircraft. It is equipped with systems such as forward looking infrared detectors (FLIR), low light television, and laser range finders. Diversion of these limited combat assets to drug surveillance missions would significantly reduce the Army's combat capability. In addition, use of OH-58D target hand-off systems to law enforcment centers would require acquisition and installation of receiver/processing systems capable of interfacing with the aircraft.

The Army has a requirement of 507 OH-58D helicopters, with an approved procurement objective of 243. Priority in fielding is to the XVIII Airborne Corps for contingency missions, followed by combat units deployed outside the United States. At the current rate of production the delivery of all 243 aircraft will be completed in fiscal year 96.

The demonstration last year of the OH-58D was conducted based on a suggestion from Bell Helicopter to the United States Customs Service. The Customs Service and the Drug Enforcement Agency asked to see an Army helicopter because Bell had none available at that time for demonstration.

KIOWA WARRIOR

QUESTION. Also, the Association of the United States Army passed a resolution (#90-6) at their October meeting urging the Administration and the Congress to: define military roles and missions in the War on Drugs and fund additional costs to Army programs for anti-drug support operations. Does not the Kiowa Warrior perfectly fit this role as a system designed for use in the War on Drugs?

ANSWER. The Kiowa Warrior is an armed OH-58D helicopter with improved sensors and sophisticated air-to-air and air-to-ground weaponry. While sophisticated weapons systems may be of benefit to some law enforcement agencies, they are not required by Army personnel involved in the detection and monitoring mission assigned to the Department of Defense.

These helicopters are in extremely short supply and are being provided only to high priority combat units such as the XVIII Airborne Corps at this time.

OH-58D SHORTFALL

QUESTION. Through FY90, 243 OH-58D helicopters have either been produced or funded. No new funds for the AHIP have been made available in the FY91 budget. I am led to believe, however, that the Army's AHIP requirement is substantially more than the 243. How do you plan to make up for this significant shortfall? What is the risk if this shortfall is not addressed?

ANSWER. The OH-58D program was curtailed before it completely filled its requirement for 507 aircraft, primarily because of fiscal constraints. In doing so, the Army is accepting a short to mid term risk until the LH is added to the inventory, beginning in FY 97.

The LH is the Army's long term solution to eliminate this risk. It does so by providing a technological leap over current capabilities found in the OH-58D and other Army aircraft and provides excellent growth potential to meet future threats.

If the LH is not procured as planned, the risk to aircrew survivability will continue to increase. Aircrews will continue to fly obsolete aircraft designed in the 1960s and will have minimal protection against enemy weapons, even in a third world, low intensity conflict. The risk of not buying the LH is to our combat soldiers who fly and depend on capable, survivable aircraft.

ADDITIONAL AHIPS

QUESTION. If the LH - for some reason - is terminated, stretched out, or otherwise not brought on line, would the Army review the need for and purchase of additional armed AHIPS - now known as the Kiowa Warrior?

ANSWER. If the LH does not come into the Army inventory as currently planned, the Army will have to review its entire aviation requirement and modernization program again. Procurement of additional Kiowa Warriors would be likely, however this does not provide an alternative to the LH.

The Army has examined various combinations of its existing aircraft, with and without modernization improvements, as alternatives to the LH program. The alternatives are not as capable, rapidly deployable, or as versatile for various missions on the battlefield, especially for contingency forces. Realistic performance alternatives to LH would cost considerably more to purchase and maintain and would leave the Army little growth potential to meet evolving threats and battlefield missions through the 21st century.

If LH does not materialize, the first option to be considered would be the purchase of additional OH-58D Kiowa Warriors.

HELICOPTER REQUIREMENTS

QUESTION. The Kiowa Warrior has become one of the most effective and most sought after platforms by field commanders. FY90 congressionally-mandated language encouraged the Department of Defense to assess its helicopter requirements and, if warranted, provide reprogrammed funds to cover advanced procurement of additional planes. Where does that action stand at present? Have field commanders provided input to the Department's decision? If so, would you share their views? Would the Department consider a reprogramming if the LH falls behind or encounters other problems?

ANSWER. The Secretary of Defense directed a major review of the Army's rotary wing requirements, capabilities, and acquisition options. This review is currently in progress and includes the Kiowa Warrior. Upon completion of this review in mid-June, the Secretary of Defense will notify you of his decisions.

Field commanders continually praise the capabilities of the OH-58D and would like to have more in the near term. They also know the OH-58D has limited growth potential and strongly support the long-term solution, the LH, with its extensive capabilities and growth potential.

If the LH is not procured as planned, the entire Army Aviation Modernization Plan will have to be restructured. A part of that restructuring would include the option to reprogram funds to procure additional 0H-58Ds.

KIOWA WARRIOR IN FUTURE CONFLICTS

QUESTION. The Kiowa Warrior played a significant role in the Persian Gulf, a low-intensity conflict. It appears that future conflicts will be of that sort in the third world. Do you see the OH-58D playing a major role in these types of conflicts? Is the platform survivable in the battlefield environment?

ANSWER. With a total procurement of 243 OH-58D Kiowa Warriors, the Army's fielding priority is to contingency forces and forward deployed Cavalry and reconnaissance units. As in the recent past, our contingency forces will arrive on the scene of conflict first. The multi-purpose light helicopter (MPLH) version of the Kiowa Warrior will be with those forces as they arrive.

With its forward looking infrared (FLIR), low light level TV, laser designating systems, and air-to-air and air-to-ground weapons, the Kiowa Warrior can fight at night and in adverse weather. This makes it more survivable than any other reconnaissance aircraft in the inventory, but its survivability is based on tactics attempting to expose only its small mast mounted sight, seeing the enemy first with long range sensors, and engaging the enemy with long range weapons.

In today's increasingly sophisticated threat environment, even the poorest third world nations have sophisticated weaponry. The Kiowa Warrior is a capable, survivable aircraft, but was not designed from the ground up for survivability as the LH is and is not nearly as survivable as the LH will be.

OH-58D WITH CUSTOMS SERVICE

QUESTION. The concentration of drug interdiction/surveillance assets in the southeastern United States has pushed the drug trafficker to new drug trafficking routes along the US-Mexican border. The smuggler is now landing short of the southwest border or doing air drops of drugs that are then taken across the border by truck or by individuals. I understand that the Army, in October 1989, demonstrated the capabilities of the OH-58D surveillance helicopter to perform the anti-narcotic ground surveillance mission along the southwest border. The Custom Service was particularly impressed with the OH-58D. Given this solid support for the OH-58D as a ground surveillance helicopter for our southwest border anti-drug efforts, has the Army considered employing the OH-58D in support of the Customs Service and the Border Patrol along the southwest border? If not, why not?

ANSWER. The OH-58D is a critical component in the integration of modern combat operations. Its unique sensor and communications capabilities are essential to both reconnaissance and fire support. The Army currently owns fewer than 200 of these helicopters, less than half of the 507 required. While the demonstration of the OH-58D requested last year by the Customs Service and the Drug Enforcement Administration illustrated the capabilities of the system, the Army does not have enough of these scarce aircraft to meet even its minimum combat readiness requirements. Initial distribution of these aircraft will be to priority combat units such as the XVIII Airborne Corps and overseas combat units.

807 APACHES

QUESTION. OK, let's talk about APACHES. Last year this Committee added some $735 million to buy out the final 132 aircraft budgeted by the Army. Is it still your plan to produce the complete 807 APACHE program?

ANSWER. Yes, it is still the Army's plan to complete the 807 APACHE buy.

APACHE ACTION TEAM

QUESTION. I am very disturbed by a reported GAO recommendation to reduce the size of the FY90 buy to provide funds to fix a number of readiness problems on which they reported. I am even more concerned by Assistant Secretary Conver's apparent support of the GAO views, saying that the readiness situation was "shameful", "an embarrassment", and that he wanted it corrected in 90 days. I applaud aggressive responses to problems but not overstatement. Make no mistake, if there is a problem with the APACHE, I want it fixed. But I recall that a little over a year ago the Army aired similar revelations about APACHE readiness and announced that "we found it and we'll fix it". The solution was a joint Industry-Army "APACHE ACTION TEAM". As a result of that "action team", what is being done differently today to provide better readiness?

ANSWER. The APACHE ACTION TEAM (AAT) was formed in March 1989.

The purpose of the AAT was to correct identified issues impacting APACHE readiness. Ten (10) AAT meetings have taken place to date. A total of 166 different issues, all impacting APACHE readiness, have been worked by the AAT in the last 12 months, of which 91 have been closed. New and improved hardware is now being made available to the field. When all of the hardware issues have been corrected it is anticipated that readiness will be improved by three to five percent. This improvement will be the direct result of reliability improvements and reduced maintenance manhours.

LH ALTERNATIVE

QUESTION. Deliberations concerning the fate of the LH program has been well reported in the press. What alternatives are there for replacing the old AH-S and OH-58's if the LH program is not continued and approved for full scale production?

ANSWER. The Army has examined various combinations of existing aircraft, with and without modernization improvements as alternatives to the LH program. These alternatives include: the Augusta 129 (Italy); the Aerospatiale SP800 (France); the AH-1W; the OH-58 Armed; and the AH-64 with product improvements/LH mission equipment packages/Longbow. No single aircraft or combination of aircraft had the effectiveness or survivability required in the armed reconnaissance role. The alternatives weren't as rapidly deployable or versatile for various missions on the battlefield, especially for contingency forces. The most comparable alternative would be a combination of significantly product improved AH-64 and OH-58D aircraft. This alternative of a combination of aircraft would cost considerably more to purchase and to operate, both in dollars and manpower. It would leave the Army little growth potential to meet evolving threats and battlefield missions through the 21st century.

SKIPPING LHX TECHNOLOGY

QUESTION. In the February 26,1990, issue of the Aerospace Daily, it was reported that the House Armed Services Committee study recommended that the "LHX program should be shifted to pursue the next generation of technology as a demonstrator program while continuing to build the AHIP and Apache helicopters at a low rate enough to sustain some helicopter production base and complete modernization of the force structure." This seems to be in line with former (Vice) Chief of Staff of the Army (and former Chairman, Joint Chief of Staff) Vessey's statement of February 2, before this Committee when he called for skipping one generation in development. Could you please comment on these thoughts?

ANSWER. LH technology represents a major improvement over all existing helicopters. The Light Helicopter (LH) Program is essential to retire the aging and obsolete light fleet of AH-1s, OH-58s, and OH-6s and achieve a combat effective down-sized force with leap ahead lethality, versatility, and deployability. The shifting of the LH to a demonstrator program will not solve the major deficiencies of low reliability, minimal night or adverse weather capability, and poor flight performance which the Aviation Mission Area Analysis confirmed in 1982. The purchase of additional Army Helicopter Improvement Program (AHIP) and APACHE helicopters is more expensive and will not provide the warfighting improvements which our combat forces need as we enter the next century. AHIP and APACHE represent the technologies of the 1970's and earlier, and they lack the vital survivability (low radar and IR signatures), high agility / maneuverability

/ speed, high reliability, and supportability that LH will provide to the combat forces. This approach would be both inefficient and costly and not provide the needed technology to sufficiently modernize the revised force structure. LH technology is being successfully demonstrated now to include integrated Very High Speed Integrated Circuit (VHSIC) processing, second generation Forward Looking Infrared Radar (FLIR), and helmet mounted displays. These advancements will be efficiently and effectively integrated in the highly survivable and lethal LH. The LH is the cornerstone for Army aviation modernization and is essential to meet the 21st century threat spectrum with a smaller and more capable force structure.

NATIONAL GUARD AND RESERVE MODERNIZATION

QUESTION. In the FY90 Authorization Conference Report, the Secretary of the Army was directed, because of the plan to prematurely terminated AH-64 APACHE procurement after FY91, to evaluate the modernization needs of certain National Guard and Reserve aviation units, and report to the Congress by 1 March 1990 on how those units will be modernized. How does the Army plan to modernize the affected National Guard and Reserve units with combat effective, deployable, attack helicopters capable of engaging enemy forces during day, night, and poor weather?

ANSWER. The Army has reviewed the modernization needs of Army Reserve and National Guard attack helicopter units and its program for modernizing these units. The review included another look at AH-64 Apache fielding philosophy as well as a look ahead to a post-CFE environment and force structure.

The AH-64 Apache was designed for the anti-armor mission and built to carry out this mission as part of the armor/artillery/mechanized infantry combined arms team. Thus, the Army's basic philosophy on fielding the AH-64 has been predicated from the start on fielding only to mechanized and armored divisions and to corps -- organizations that must confront the greatest armor/mechanized threat and that can best employ the speed and responsiveness of the AH-64 over wide areas.

The remaining light divisions, both Active and Reserve Components, were not programmed to receive the AH-64. These divisions will retain their AH-1 Cobra attack helicopters until the LH is fielded. The LH will replace both the AH-1 attack and the OH-58 scout aircraft in the attack battalions and cavalry squadrons of both active and reserve light divisions. The LH will also be fielded to heavy divisions for the armed reconnaissance mission, displacing both the AH-1 and OH-58 performing that mission today.

Given planned force structure reductions in both Active and Reserve Components over the next several years, the total buy of 807 AH-64 helicopters will meet force structure requirements. Today, the Total Army force structure includes 40 AH-64 helicopter battalions. Of these, 26 are in the Active Component, 12 in the National Guard, and 2 in the Reserves. This provides AH-64s for all heavy divisions and Corps. Each of these units is authorized 18 Apaches. Initially we plan to equip each Reserve Component AH-64 unit with 15 aircraft, while providing 18 to each Active Component unit. As additional force structure reductions are implemented, we will provide additional AH-64s to Reserve Component units.

Attack helicopter modernization efforts continue for Reserve Component attack aviation units supporting light forces. Those attack battalions that have not been modernized and retain early model AH-1 and obsolete UH-1M attack aircraft will be equipped with the fully modernized AH-1F Cobras. Availability of AH-1Fs to the Reserve Components will accelerate as we field the Armed OH-58D to XVIII Airborne Corps and air cavalry units and as we implement planned force structure reductions. With these force structure reductions termination of AH-64 procurement in FY 90 at 807 aircraft is reasonable. The Army will have sufficient AH-64s to resource attack helicopter units needed for our programmed corps and armored/mechanized organizations while maintaining a prudent attrition account.

HIGH TECHNOLOGY DEVELOPMENT AT YUMA

QUESTION. On a related issue, I have been interested for some time in bringing high technology activities to Arizona. This has become an even greater interest as a result of the expected decline in defense contracting in coming years. One are in which I am becoming especially focused is in the application of the Defense Department's Critical Technologies Plan which is required to be submitted annually to Congress under the FY89 National Defense Authorization Act (P.L. 100-456). I am interested in trying to establish a core group of between 5-10 technology issues. As Yuma already has the space and facilities necessary for this kind of high technology work, I believe it is important to lay the foundation to develop this core group of scientists. Does the Army have the ability to pay the salaries required to attract these high level scientists? What are the pay requirements for these scientists? Undoubtedly, an issue such as this will require a considerable amount of discussion and work. I look forward to working with the chairman and ranking member of their staffs on this issue.

ANSWER. The Army has already identified a core group of technology issues called the Army Key Emerging Technologies. These are identified in the Army Technology Base Master Plan as a critical part of the Army Technology Base Investment Strategy and are the functional subset of the DoD Critical Technologies applicable to Army materiel requirements. The Army is probably not able to compete in terms of salary. For example, PhD bench level scientist and engineers in the private sector, Federally Funded Research and Development Centers (FFRDCs), and Federal Contract Research Centers (FCRCs) earn approximately 65 percent more than those in DoD. The Army is in the process of studying laboratory management issues including possible consolidation to derive organizational streamlining and operational cost effectiveness. Study conclusions, including potential new site development, will be forthcoming in the next fiscal year.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

LHX

QUESTION. Is it an overstatement to say that the LHX competition has within it the seeds of destruction for at least 2 of the 4 major helicopter manufacturers in that: 1) there is a significant period between the termination of current Army helicopter lines and the beginning of LHX production, 2) the current requirement, geared to a significant European presence, is overstated when considered context of current events, and 3) the competition is winner take all?

ANSWER. UH-60 production will continue well into the next century. The AH-64 Apache received an appropriation in FY 1990 to buyout the remaining 132 aircraft of the total 807. Current plans call for contract award in two phases, May 1990 and November 1990. Apache production will extend through December 1993. The initial LH production contract will be awarded in November 1994. The first Light Helicopter production delivery is planned for March 1996. The "production gap" between AH-64 and LH is from December 1993 to March 1996. However, it is likely that Apache sales to other governments will reduce the gap or result in no gap at all.

LH is not geared only to the Central Europe scenario. A key aspect of the LH design is its exceptional versatility. Given that rapidly changing world political environment, it is vital that the Army have the means to counter a multiplicity of possible threat scenarios, from Special Operations, low intensity conflicts through high intensity conflict. The LH will provide this capability. It is a leap-ahead improvement over the current fleet of Army helicopters. It will provide more lethality, versatility and deployability, with reduced support costs, when compared to all feasible alternatives.

Any weapon system competition has a winning design. In the LH case, the winner will be a team composed of many major corporations. The losing design will also be a team composed of many major corporations. It is unlikely, given total business base diversification, that any participant would be "destroyed" by losing the LH competition. The contractual LH efforts completed so far have provided every manufacturer a basis for new technology development which surely will enhance their future business opportunities.

QUESTION. My understanding is that, avionics aside, LHX performance falls within the parameters of the current generation of helicopters. Considering the cost of the program, why aren't we asking more of the airframe?

ANSWER. The LH airframe represents a leap-ahead technology advancement over the current generation helicopters. The LH design advances airframe capabilities commensurate with technology to provide significant improvements in lethality, versatility and deployability. The increased cruise speed, self deployment capability, high maneuverability and agility, signature reduction (radar cross section, infrared, visual and acoustical), protected anti-torque system, composite airframe materials for greater strength and lighter weight, fly-by-wire/light flight controls, and built-in test and diagnostics represent major advances in airframe technology as compared to any previous helicopter program. These advances will directly translate to unprecedented gains in operational capabilities.

QUESTION. If it is true that we have reached the physical limits of helicopter performance, why isn't the Army skipping a generation, as it is doing with the M1, and marrying the mission equipment package to whatever new type of airframe that replaces the helicopter?

ANSWER. Clearly we have not reached the limits of helicopter performance that are important for the tactical scout, attack missions of Army aviation. Alternative airframe technologies that have been analyzed for the LH mission include tilt rotor, tilt wing, x-wing and the advancing blade concept. All were found to have significant shortcomings in meeting mission and program requirements as well as being much heavier and more costly. The 1987 RAND Corporation and Institute for Defense Analyses independent assessments of alternative light helicopter technologies, commissioned by the Office of the Secretary of Defense, concluded that the advanced technology helicopter was the best solution to the Army's requirement. It should be noted that the alternative technologies are not "advanced." Each has been around for some time - over thirty years for the tilt wing. All have major inherent limitations which restrict practical usefulness for the Army's requirements.

JSTARS

QUESTION. What changes, if any, do you anticipate in requirements for JSTARS in a post-CFE environment?

ANSWER. JSTARS will become more critical compared with other U.S. systems as U.S. European ground force levels are lowered. Soviet forces will continue to modernize as they withdraw to within the USSR behind a buffer zone of increasingly uncooperative Warsaw Pact countries. Although Soviet ability to gain surprise will decrease, NATO will be more vulnerable should hostilities occur. A smaller NATO force will depend more than ever on maneuver and deep targeting to counter the Soviet threat. JSTARS's "see deep" ability to do deep targeting and to provide a basis for directing Follow-On-Force-Attack (FOFA) will be more critical than ever under these circumstances. Both General Foss, the current TRADOC commander, and his predecessor, General Thurman, stress the criticality of JSTARS to the defense of Europe.

NON-LINE-OF-SIGHT MISSILE SYSTEM

QUESTION. By all accounts, NLOS/FOG-M is one of the Army's most promising development programs. Why was production deferred?

ANSWER. The great potential of this dual capable weapon system is well recognized within the Army, especially in the context of a rapidly deployable force armed with weapons capable of handling any contingency. However, the recent changes in Europe allowed the Army to re-evaluate the degree of concurrency in the NLOS program. By deferring the start of low rate production in the FY 1991 budget the Army was able to eliminate the program's concurrency between development and production. This now allows all development and technical/operational testing to be accomplished prior to the start of full scale production in FY 1994.

QUESTIONS SUBMITTED BY SENATOR SPECTER

MOBAY CORPORATION

QUESTION. Has a decision been made in connection with invoking the Defense Production Act as a means to compel the Mobay Corporation to sell thionyl chloride to the Army for use in binary weapons? Would you support a decision to compel Mobay Corporation to sell these chemicals to the Army?

ANSWER. No, the matter is still under consideration. Yes, we would support such a decision.

PERSONNEL REDUCTIONS FOR REALIGNED ACTIVITIES

QUESTION. In your January 29, 1990 report to Congress on Army Force Realignment, you identified eight Pennsylvania installations or activities that were subject to realignment or closure. For five of these eight, you stated that the quantity of military and civilian space reductions was "to be determined" (TBD). Have the personnel reductions for the five Pennsylvania activities in question been determined and, if so, how many military and civilian positions will be lost at each of the five activities? If the personnel reductions have not been determined, when will these decisions be made?

ANSWER. Harrisburg: Proposal to streamline AMC logistics support activities. Space savings: 5 military and 123 civilian.
Scranton AAP: Proposal to streamline contract administration services. Space savings: Numbers are expected to be available 15 May 1990.
Tobyhanna AD. Proposal to streamline AMC logistics support activities. Space savings: 93 civilians.
New Cumberland AD: Proposal to consolidate test and evaluation which could affect the Logistics Evaluation Agency. Space savings: 1 military and 33 civilian.
Scranton AAP: Proposal to compete head-to-head with Louisiana AAP for metal parts contracts. Loser to be laid away. Space savings to be determined in 1993.

ATCCS FUNDING

QUESTION. A number of defense analysts view the use of automated command and control systems as a way to compensate for a reduced force structure by providing capability to use limited personnel and equipment resources in a more effective manner. In Army Focus, dated November 1989, automated command and control systems are referred to by the Army as a "must" capability. Yet, in your report to the Senate Appropriations Committee, dated February 1, 1990, you state that sufficient funding was not provided for command and control programs in the Army's fiscal year 1991 budget request. Why have command and control programs not received adequate funding in your fiscal year 1991 budget request? How much additional funding is required in order to fully fund fiscal year 1991 command and control program requirements?

ANSWER. The Army Tactical Command and Control System will allow the Army to integrate the five battlefield functional areas, which consist of Maneuver, Fire Support, Air Defense, Intelligence/Electronic Warfare and Combat Service Support. The five battefield functional areas will use the Mobile Subscriber Equipment (MSE), Combat Net Radio (SINCGARS), and the Army Data Distribution System (JTIDS & EPLRS) to pass information around the battlefield and will also use common hardware and software to provide operational flexibility and to simplify interoperability. The Army is committed to fielding this integrated network of systems and we have made significant strides in this area. The MSE and SINCGARS systems are being procured and fielded with a high degree of success. The EPLRS system has been delayed because of some technical issues but we have restructured that program, and are resolving those technical problems before making large commitments of procurement funds. To date we have shown significant progress in resolving these problems. EPLRS has a $9.9 million RDTE funding shortfall in FY 91 and the Army is currently reviewing its options to see if these funds can be provided. We are planning to enter production with the JTIDS portion of ADDS in FY 93 and with EPLRS in FY 95.

The Maneuver Control System will shortly undergo field validation at Ft. Hood prior to fielding to our forces. This system will initially be fielded with equipment previously procured but will utilize common hardware beginning in FY 92. The All Source Analysis System (ASAS) has just completed a Force Development Test and Evaluation (FDTE) at Ft. Hood and is preparing for an Initial Operational Test and Evaluation (IOTE) in FY 92. Procurement of the system will follow in FY 93. We have successfully completed the concept evaluation program (CEP) of the fire support system called Advance Field Artillery Tactical Data System (AFATDS) and will sign a full scale engineering development contract shortly. The Forward Area Air Defense C2 (FAAD C2) program has been restructured to provide an earlier field capability and we are currently developing and demonstrating software code. FY 90 budget cuts and technical problems have caused delays in this program but we will conduct initial operational testing in FY 93/94. The last system the Combat Services Support Control System (CSSCS) has been prototyped with capability demonstrated in experiments and we are currently preparing a procurement package for the development of the objective system to begin in FY 91. The system will be operationally tested in FY 93 prior to full production. Each of the systems with the initial exception of ASAS (ASAS began its development prior to the CHS decision) is using the common hardware and software procured in FY 88/89 for their development and test. When production decisions are made the systems will be fielded on common hardware.

We recognize the importance of the Army Tactical Command and Control Systems to the Army and, with the exception of the $9.9 million EPLRS shortfall, have been able to satisfy FY 91 funding requirements during difficult budget times.

M762 MECHANICAL (sic) ARTILLERY FUZE CONTRACT DELAYS

QUESTION. I have been informed that a stop work order has been issued by GAO on the recently awarded (December 1989) M762 fuze contract due to a protest by a losing offerer. I have also been informed that GAO will not rule on the protest until at least April 1990 resulting in a delay in the start of this contract of at least three months. Will the delay in the start of the contract result in a corresponding delay in the delivery of M762 production requirements?

ANSWER. On April 3, 1990, the protest was resolved with GAO ruling in favor of the Army. The protest has however delayed the M762 fuze production start and consequently, the deliveries of fuzes.

EXTENDING PRODUCTION OF M577 FUZE

QUESTION. It would appear that a delay in production deliveries of M762 fuzes will result in a gap between the end of deliveries of the M577 fuze and the delivery of a sufficient quantity of M762 fuzes. Extending production of the M577 fuze for between 6 - 12 months would bridge this gap in deliveries. Is this approach being considered? If not, how will the Army address this lapse in fuze deliveries?

ANSWER. Recently, an option on the FY89 contract with Bulova was exercised for about 388,000 M577 Mechanical Time Fuzes. This quantity was needed to satisfy foreign military sales as well as to provide fuzes for some current requirements. This option quantity extends delivery of M577 fuzes until October 1991 providing overlap with M762 Fuze deliveries.

SUBCOMMITTEE RECESS

Senator INOUYE. The subcommittee will stand in recess until Tuesday, April 3, at 10 a.m., and at that time we will take up the fiscal year 1991 Air Force budget.

[Whereupon, at 12:16 p.m., Thursday, March 29, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1991

TUESDAY, APRIL 3, 1990

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Bumpers, Stevens, Kasten, Rudman, Cochran, and Specter.

DEPARTMENT OF DEFENSE

AIR FORCE POSTURE

STATEMENT OF HON. DONALD B. RICE, SECRETARY OF THE AIR FORCE

OPENING REMARKS OF SENATOR INOUYE

Senator INOUYE. This morning the subcommittee examines the Air Force component of the fiscal year 1991 military budget request. Our witnesses are the Secretary of the Air Force, the Honorable Donald B. Rice, and the Chief of Staff, Gen. Larry D. Welch.

As we begin this hearing, our 11th, there are few who still doubt that the United States and its armed services face a fundamentally changed international security environment. There is less unanimity, however, about how best to reshape our national security posture for this new world.

Today we seek to better understand how the Air Force is confronting this question. The Air Force and its witnesses must address what force structure, how many fighter, bomber, and airlift wings, and what military and civilian end strength will be necessary for our Air Force in the future.

So too, the size and composition of the U.S. strategic Triad and the Air Force's contribution to it may be changing. A post-Strategic Arms Reduction Treaty world of 6,000 to 9,000 warheads would be very different from today's.

The Secretary and the Chief of Staff must articulate a convincing strategic deterrence vision, one which better outlines what mix of weapons, platforms, forces, and capabilities is enough for the post-START environment.

MODERNIZATION PROGRAM

The subcommittee also must evaluate whether the Air Force's current modernization program remains relevant. It is not clear that each major new system still is needed when the requirement was predicated on a very different security environment. The Air Force will need to show that it is not preparing to fight the last war instead of planning for likely future conflicts.

ACQUISITION PROGRAM PROBLEMS

The Air Force's acquisition program has been beset by major problems. The deficiencies of the B-1B and the cost growth of the B-2 are well known. The advanced tactical fighter has been delayed due to high technological risk. The C-17's first flight is at least 10 months late. Other systems have also experienced delays and cost increases. The subcommittee needs to know what steps the Air Force is taking to improve its acquisition management.

COOPERATION SOUGHT

I think all of us agree that these are very difficult times. Congress and the executive branch need to work closely together in a spirit of comity and cooperation to protect our Nation's security. However, I have found that this spirit has not always been evident.

Last year I believe this subcommittee was the Air Force's greatest ally in approving its fiscal year 1990 budget request. Several Air Force programs were saved from extinction through the efforts of this subcommittee. In return, I find that the Air Force response has not always been one of comity and cooperation, specifically regarding compliance with direction contained in statutory and report language.

This subcommittee wants a productive working relationship with the Air Force and I think you will agree that we need such an arrangement. I can assure you that I am ready for such a partnership, but I think all of us must do our part.

So Mr. Secretary, General Welch, your full statement has been received and has been made part of the record. You may proceed as you wish, sir.

Secretary RICE. Thank you, Mr. Chairman, and good morning.

STATEMENT SUMMARIZED

I would like to make a short opening statement and I think General Welch has some opening remarks before we stand ready for your questions.

Since the close of World War II, the national security focus of the United States and much of the free world has been dominated by the threat posed by the Soviet Union, the only nation with the capability to threaten U.S. national survival. But as you have just pointed out, a number of dynamic and rapidly changing factors, from the extraordinary developments in Eastern Europe and the Soviet Union to the spread of very sophisticated military capabilities around the world, are combining to create the potential for a significantly different security environment as we approach the 21st century.

The Air Force is fully prepared to meet the challenge of planning forces for this quite different future. I have, as you have noted, provided a written statement which I would ask be included in the record. And I would also ask your indulgence that copies of a briefing entitled "Global Reach, Global Power" be added to the record as well. These materials lay out the strategy and framework we intend to use as we work with you to build a force that meets our national security needs while responding to the realities of the changing global scene. I urge you to read them as your time permits.

CHANGING REALITIES

The Air Force has already begun adapting to the changing realities. By the end of 1991, we will have reduced military end strength by 78,000 since the peak in the mideighties, with 41,000 of that reduction coming in fiscal years 1990 and 1991 alone.

The proposed Air Force budget for fiscal year 1991 is reduced 23 percent in real terms from the fiscal year 1985 peak, with nearly 7 percent of that reduction occurring in fiscal years 1990 and 1991. The Air Force investment account will have been cut 29 percent from fiscal year 1985 to 1991, with 7.5 percent of that occurring in the fiscal years 1990 and 1991.

These are significant reductions and, of course, we know that more will follow. I just want to emphasize the criticality of pursuing these reductions in a logical and coherent manner, guided by a strategy based on future defense needs, not just arbitrary budget cutting.

To preserve vital capabilities in the face of great uncertainty and decreasing budgets, we have pursued efficiency aggressively within the Air Force. Our part of the defense management review initiative will provide anticipated savings of $10.9 billion through fiscal year 1995. The additional Air Force base closure candidates announced for study would provide $1.8 billion net savings through fiscal year 1995, more than the total Base Closure Commission results for the same time period, and $560 million in annual savings after fiscal year 1995, more than 80 percent of the total Base Closure Commission results.

REPROGRAMMING REQUEST

While we are on the subject of dollars, I would like to add my voice to solicit your support for our reprogramming request for the "Military personnel" account and supplemental appropriations for Nicaragua and Panama and express my hope that the sources can be worked out satisfactorily.

The work we are beginning here today is critically important to the defense of the country. You have my pledge that we will work with you to provide the defense capabilities our Nation needs.

The future world will demand carefully crafted, complementary forces across the spectrum, forces that exploit each service's most effective attributes. In developing its vision and plans for the 1990's and beyond, the Air Force is focusing on those inherent characteristics of air power—quick reaction, long range and reach, flexibility, rapid deployment, precision, and lethality—which make it such a responsive instrument for projecting power and influence to support U.S. national security in this dynamic environment.

This vision calls for smaller forces at lower overall cost, but ones that are high quality and modern. We have started down that path with the fiscal year 1991 budget. Much more will be laid out in our fiscal year 1992 to 1997 program, which will be submitted to the Secretary of Defense at the end of this month.

We look forward to an extensive dialog with you as we continue down the path together to turn this vision into reality.

Let me stop at this point because I know General Welch has a few opening remarks, and then we will stand ready for your questions.

Senator INOUYE. Thank you, Mr. Secretary.

[The joint statement follows:]

JOINT STATEMENT OF HON. DONALD B. RICE AND GEN. LARRY D. WELCH

In light of all the changes taking place in the world, we must revise the basis for planning U.S. military capability. As we do that, it is useful to remind ourselves that the basic mission of the United States Air Force remains to organize, train, equip, provide, and support aerospace forces to deter aggression and, if necessary, defeat aggressors across the spectrum of conflict. This supports the most fundamental national security objective of the United States, the preservation of our free and independent nation with its institutions and values intact.

A number of dynamic and rapidly changing factors are creating a significantly different world environment as we approach the 21st Century. A prominent characteristic of the world in the 1990s and beyond may well be instability. While the Soviets appear to be shifting their focus toward addressing long-standing internal economic, political, and societal problems, they will retain a significant military capability, both nuclear and conventional. Despite some initial reductions, Soviet military capabilities built up during 20 years of relentless growth in Soviet defense spending still remain. Soviet policy declarations reflect changes in intentions, but contain no guarantee of irreversibility.

We will also face security challenges in other, even less predictable areas around the world. The United States has important security objectives in the developing world: promoting freedom and democracy; protecting key strategic resources, choke points, and overflight areas; nurturing defense commitments and security relationships; and stopping the flow of drugs into our nation. The continued spread of sophisticated weapons—nuclear weapons, ballistic missiles, advanced tactical aircraft, modern tanks, and cruise missiles—enable a wide variety of states to pose potentially dangerous threats to U.S. security or that of our security partners.

The combination of continued threats to America's national security interests, the proliferation of sophisticated weapons, and reduced numbers of overseas U.S. forces in this unstable world presents new challenges for the U.S. military. The likelihood that the U.S. military will be called upon at some time and place to defend U.S. interests in a lethal environment is high—but now, more than ever, the time and place are difficult to predict.

In structuring our forces to support the national military strategy, we can neither adopt the unrealistic assumption that nothing has changed, nor the historically naive presumption that everything has changed. Indeed, the heartening changes we see in the Soviet Union and Eastern Europe reflect the success of our policies. The national military strategy continues to emphasize deterrence—combining forward defense and flexible response to ensure that no adversary could ever expect to gain by attacking the United States or its allies. This strategy supports enduring national security objectives, while providing for a coherent, cost-effective development of military forces.

The maintenance of a stable nuclear balance vis a vis the Soviet Union must remain paramount—only Soviet nuclear forces threaten our national survival. Conventional capabilities that provide a rapid, tailored response with a capability to apply force selectively, anywhere on the globe, will remain essential to keep local conflicts and tensions from spreading and threatening U.S. interests and allies. U.S. forces must be capable of hitting hard, precisely, and terminating conflict quickly in order to deter aggression or the threat of it. The requirement for these capabilities is not new, but the balance among them is shifting—reduced emphasis on combating heavy Soviet conventional forces and more attention to other global contingencies.

Given the unpredictability of the future, our force planning must call for an increased emphasis on force projection capabilities—a shift toward even more flexible, rapidly responding, precise, lethal forces with global reach. The Air Force's focus will be on emphasizing those inherent characteristics of airpower—speed, range, flexibility, precision, and lethality—which best support U.S. national security in the uncertain world of the 1990s and beyond. Our planning will be conducted in complementary fashion with that of the Army and Navy.

Adapting the Air Force to the changing world environment has forced some difficult choices in the balance of investments in four major areas: readiness, modernization, combat sustainability, and force structure. The Air Force of the future will feature high readiness forces that emphasize well-trained, quality personnel and high-quality systems. To afford these priorities, we will be forced to make painful reductions in force structure and sustainability. In relative terms, the Air Force will be more CONUS-based, with a smaller and more efficient base structure at home and abroad. It will be more reliant on Reserve components.

While sustaining stable, nuclear deterrence, the emerging Air Force will provide unmatched capabilities in extending U.S. global reach and the ability to respond rapidly to fast developing conventional crises. Missiles and bombers will continue to support nuclear deterrence; bombers, the most flexible leg of the nuclear Triad, will concurrently provide highly responsive conventional power projection capabilities worldwide. Our rapidly deployable tactical airpower can provide air assets for combined, joint, or independent operations with U.S./allied forces. Airlift provides timely global reach to all the Services; tankers enhance not only mobility, but the combat potential of the Services and our allies. Space assets provide communications and information for situational awareness across the planet.

The United States has become an aerospace nation and aerospace power will become increasingly important in the decades to come. Aerospace represents the cutting edge of advanced technology and a vital element of our economic fabric. The future Air Force will exploit those capabilities to maintain technological superiority through a broad, balanced science and technology program that strengthens the industrial base and forms the foundation of our future military capability. Prudent investment in advanced technology will enable the United States to avoid strategic surprise should the Soviets revert to a more hostile stance and provide the capabilities needed to intervene decisively with minimal casualties against potential well-equipped foes.

Today's Air Force is more capable than at any other time in history. Nevertheless, five consecutive years of defense budget reductions and the prospect for further substantial cuts will constrain our future capability. The proposed Air Force budget for 1991 is reduced 23.3 percent in real terms from the 1985 peak, with 6.6 percent occurring in the two years of FY 1990 and FY 1991. The Air Force investment account (including RDT&E and MILCON) has been cut 29 percent from FY 1985 to FY 1991, with 7.5 percent of that in the FY 1990 and FY 1991 years. Defense Management Review (DMR) initiatives will help offset the impact of declining budgets by reducing the cost of modernizing, operating, and maintaining the Air Force. DMR is already expected to provide an estimated $10.9 billion in savings for the Air Force through FY 1995 from streamlining acquisition activities and from logistical, operational, and training efficiencies.

The additional Air Force base closure candidates announced for study would provide an estimated $1.8 billion of net savings through FY 1995, more than the total Base Closure Commission (BCC) results for the same time period, and $560.0 million in annual savings after FY 1995, more than 80 percent of the total BCC results.

To maintain essential capabilities, we will seek to leverage all our investments. First, to maximize the readiness of existing forces, we will continue to focus on spares, support equipment, munitions, and training programs—the same things that have allowed us to generate almost 80 percent more tactical combat sorties than we could in 1980 and which have put the readiness of our bomber force at an all-time high. Second, we will improve existing systems with cost effective modifications and upgrades. Examples include B-1B SRAM II integration, KC-135 reengining, adding multipoint refueling capabilities to the KC-10, and F-16 engine upgrades, all of which provide significant increases in performance and durability for the existing force structure. Third, we will leverage our investment by developing new systems, taking advantage of U.S. technological superiority to meet long-term challenges. The B-2, C-17, and Advanced Tactical Fighter (ATF) are examples of this approach. We cannot afford to abandon current development efforts which are required to meet our national security objectives of the coming decades.

OUR PEOPLE

Recruiting, retaining, motivating, and training quality people will challenge the Air Force throughout the new decade. The value of our people is intrinsic to all of our readiness, modernization, combat sustainability, and force structure decisions. Because fiscal realities have forced us to make concessions in the size and composition of our force, we must ensure that we continue to recruit and retain the best and the brightest. The Air Force depends on the quality and commitment of the Active, Guard, Reserve, and civilian men and women who guarantee our national security.

The Air Force continues to meet successfully its enlisted and line officer recruiting goals, for both quality and quantity. However, we continue to experience major difficulty retaining pilots and physicians. In these changing times, we cannot relax our efforts to provide a competitive compensation package for all of our military personnel. This includes adequate pay and allowances, satisfactory government quarters or housing allowances, full permanent change-of-station reimbursements, quality health care, and other quality of life benefits.

Over the past years, both the Air Force and Congress have worked on possible solutions to the pilot retention problem. The FY 1990 Authorization Act implemented the Aviation Career Improvement Act of 1989, a comprehensive package which addresses this issue for the Air Force and the Navy. The Air Force welcomes the majority of the provisions in the act and is presently assessing their impact on retention.

Congressional action and the FY 1990 Gramm-Rudman-Hollings sequester have forced the Air Force to reduce overall end strength without an associated adjustment to our mission, resulting in undermanning in field units. Furthermore, since we could not meet the Gramm-Rudman targets using only manpower reductions, other money-saving measures have been implemented. The programmed military end strengths for FY 1990 and FY 1991 are now 567,900 and 530,000, respectively. This FY 1991 end strength will be 78,000 lower than FY 1986, 41,000 of that in FY 1990 and FY 1991. The programmed civilian end strengths for FY 1990 and FY 1991 are 262,354 and 258,741, respectively.

READINESS AND SUSTAINABILITY

Building and maintaining readiness and combat sustainability are ongoing processes, always undergoing evaluation and requiring a prudent balance among various spending areas to achieve realistic goals. We place a high priority on improving the combat readiness, as well as the staying power, of our forces. With the improved quality and realism of operational training programs such as Red Flag, we continue to increase the readiness of our operational crews. Major exercises and deployments of Active, Guard, and Reserve units to overseas operating bases provide operations and maintenance specialists realistic exercises in the environment in which they would fight. Improved training and more realistic experience continue to produce safety records considerably better than those achieved in the mid- to late-1970s. Consistent with our strategy, we configure Reserve Component forces to ensure their effective engagement in global conflict within days to weeks from the development of a crisis. Active duty forces, of course, provide necessary combat capability day-to-day.

To provide sufficient combat sustainability, adequate spares, supplies, munitions, and fuel must be available to support expected operation tempos and probable periods of conflict. Adequate stocks, support infrastructure, war reserve material, and the industrial base must be prepared during peacetime. We continue to strive to improve industrial base capabilities, but this effort is constrained by budgetary considerations. The Air Force continues to work with all Department of Defense (DOD) and national agencies to offset the effect of budget reductions. Whenever possible, our acquisition policy provides incentives for the industrial base to sustain the logistics support of our forces. The Air Force will continue to strive to maintain peacetime spare parts stocks, procure adequate levels of wartime spares and equipment, perform critical aircraft modifications, improve the industrial base, and increase our sortie generation capability within the constraints of fiscal policy.

STRATEGIC FORCES

Strategic forces provide nuclear deterrence, worldwide conventional power projection, and strategic defense across all levels of conflict. While the prospects for a Strategic Arms Reduction Talks (START) agreement are high, the Soviets have continued unabated a modernization of all components of their strategic offensive forces that could be retained under START limits. Therefore, we must structure our forces to be adaptable to the probable constraints and needs of the post-START era while maintaining deterrence in the face of evolving capabilities that continue to threaten our existence. Given this requirement, we must continue the phased modernization program laid out by the President for U.S. strategic forces.

In practice, an enemy's belief in our deterrent capabilities is based on his perception that we have both the forces and the will to carry out a devastating retaliatory strike. The strategic Triad of manned bombers, intercontinental ballistic missiles (ICBM), and sea-launched ballistic missiles (SLBM) is the foundation of this perception. Individually, no leg of the Triad represents an ultimate capability or deterrent solution; collectively, they complicate enemy attack planning, denying any chance of a successful debilitating strike. The Triad provides a high confidence barrier against technological breakthroughs, system failures, communication limitations, and unforeseeable "fog of war" factors. In short, the Triad ensures sufficient U.S. forces survive an enemy attack to successfully retaliate against an aggressor, thus effectively deterring a nuclear attack.

ICBMs are the most responsive element of the strategic Triad, combining accuracy and high daily alert rates to hold time-urgent, hardened, Soviet warfighting assets at risk. The foundation of our ICBM modernization programs is the Peacekeeper missile. Full operational capability for the first 50 Peacekeeper missiles in existing silos was achieved on schedule in December 1988, and the FY 1991 Budget continues development of the rail garrison basing mode. Current plans are to deploy the 50 operational Peacekeepers at 7 garrison locations. Deploying the Peacekeeper day-to-day in secure areas and dispersing it when in the national interest to do so will diversify our strategic forces, while its survivability will enhance deterrence and promote stability. The development of the Small ICBM (SICBM) will continue toward an operational deployment in the late 1990s. This missile's survivability and inherent operational flexibility make it the obvious next step in enhancing strategic stability and deterring nuclear war.

Bomber modernization, through deployment of the B-1B and B-2 penetrating bombers and transition of the B-52H force to a standoff cruise missile role, will counter existing and projected Soviet air defense improvements. Each aircraft has an essential and diverse mission. Cruise missiles launched from outside defended areas, B-1Bs penetrating at low altitude and high speed, and B-2s penetrating at high and low altitudes will severely stress the Soviet air defense system.

The final B-1B was delivered ahead of schedule in April 1988. Since then, flight test activities have revealed deficiencies in the basic design of the defensive avionics system. The Air Force is proceeding with a two-tiered recovery plan which will correct these deficiencies and field a stand-alone radar warning receiver.

The contributions of the bomber force—and the B-2 in particular—to the Triad will increase in the future. Without the B-2, the bomber force would atrophy, thus depriving us of its unique attributes. Bombers enhance the survivability of land-based strategic forces and offer a unique capability not shared by current ICBM or SLBM forces for signalling U.S. resolve in a crisis. The B-2 provides the best combination of accuracy and weapon yield of any current or projected system in the Triad. Together with greatly increased "look before shoot" capability compared to other bombers, this makes the B-2 the most efficient and effective system for dealing with both very hard and area targets. Manned bombers are regarded by both the United States and Soviet Union as systems that enhance the stability of the strategic balance, because they provide an assured retaliatory capability without posing a first-strike threat. Due to the bomber counting rule under START, the penetrating bomber provides the means to assure adequate target coverage—thus the B-2 is the key to long-term military sufficiency under START and a bulwark of the current U.S. negotiating position. The B-2's capabilities will ensure the continued viability of a balanced nuclear Triad for decades to come.

The B-2 program is currently in its flight test phase. The first aircraft flew in July 1989, and the test plan has continued on schedule. We have completed the first phase of the flight test program, logging more than 31 flight hours on eight test flights. The test program has been an unqualified success to date. The development cost of the B-2 has been substantially higher than the B-1B, reflecting the major technological advances involved; however, the production cost is expected to be only modestly higher, in constant dollars. To give this cost issue some perspective, the contribution of the B-2 to the strategic Triad should be considered. In terms of acquisition cost per generated warhead, the B-2 cost is similar to the B-1B.

Cost comparisons between elements of the nuclear Triad, however, cannot account for the unique flexibility for power projection offered by the manned bomber. Long-range bombers, staging from secure bases, can reach any location on the globe within hours, employing only a single aerial refueling. These bombers can deliver dramatic firepower with precision accuracy. In a notional Southwest Asia scenario, a squadron of conventional bombers could be projecting power and enhancing presence in a very short time (and at lower cost relative to other options). The B-2's survivability and range will enable it to operate with fewer supporting aircraft (defense suppression, air superiority, etc.) than required for a strike package using nonstealth aircraft.

TACTICAL FORCES

With the continued support of Congress, our tactical air forces must remain a highly capable, modern, and ready force. They must be ready to respond to technologically improved threats, not only in Europe, but anywhere on the globe. To meet this challenge in an era of constrained funding, we will begin reducing our fighter force structure in FY 1991. We will partially offset the reduced force structure by modifying current inventory aircraft to increase capability, maintainability, and service life. We are also developing future weapon systems with a close eye on procurement, operating, and support costs to provide an effective but affordable force. Through modification programs and cost control measures such as these, we are leveraging our investments, enabling us to field a ready and capable tactical force.

Two high-priority programs—ATF and the Advanced Medium-Range Air-to-Air Missile [AMRAAM]—are required to maintain a technological lead in order to achieve air superiority. Since the advent of modern airpower, no major surface operation has ever succeeded without air superiority. The ATF will incorporate low-observable technology, supersonic cruise and maneuver, and advanced avionics to yield lethality and survivability required to meet future threat systems. The ATF's planned initial operational capability [IOC] is in the late 1990s. The AMRAAM, now in low-rate production, is undergoing an extensive test program. The test program is scheduled for completion in time to support a full-rate production decision later this year. This missile with improved resistance to electronic countermeasures [ACM] will provide a launch-and-maneuver, multiple kills-per-engagement capability necessary to combat advanced threats while sustaining minimal losses.

Modernization efforts continue in ground attack forces as well. The F-15E reached IOC in 1989, an important step toward filling urgently required all-weather deep penetration capability. The LANTIRN navigation/targeting system also reached IOC in 1989, enabling F-15Es and F-16C/Ds to conduct night surface attack interdiction missions. This capability will deny any adversary's forces the sanctuary of the night, reduce attrition, and increase the effectiveness of our surface attack operations.

The Air Force also actively supports the Navy A-12 development program and has programmed funds for the development and production of an Air Force variant, the Advanced Tactical Aircraft (ATA). Projected target and threat characteristics by the year 2000 dictate our requirement for a greatly improved surface attack aircraft. The ATA will satisfy this need.

The Air Force has requested funds to procure 150 multi-role F-16s in FY 1991. This aircraft provides a solid example of the strength of the Air Force's approach to building combat capability: its mission-capable rate is above 85 percent, and the F-16s now being procured will enjoy night/under-the-weather attack and all-weather air superiority capabilities.

The Air Force places a high priority on close air support/battlefield air interdiction (CAS/BAI). The A-7D and A-10A, are unable to meet the Joint Force Commanders' requirement for CAS/BAI in the mid 1990s and beyond. Therefore, we have funded interim programs to modify 225 A-10s and 146 Block 30 F-16s with improvements that enhance their CAS/BAI capability. However, these are interim solutions until a follow-on aircraft with the flexibility and capability to conduct battlefield air attack over the modern battlefield is selected and fielded.

MOBILITY FORCES

Strategic airlift provides the United States with the capability to project influence and forces quickly and decisively throughout the world, a capability of increasing importance as we reduce our forward deployment posture and global instability and uncertainty remain. Their ability to carry troops and/or cargo, air refuel, and airland or airdrop their loads reduces dependence on forward-basing, while retaining the ability to meet almost any military or civil requirement. Clearly strategic airlift is a national asset whether employed in support of military operations such as Just Cause in Panama, or as part of humanitarian efforts providing relief following natural disasters such as Hurricane Hugo.

The effective and efficient movement of forces requires achieving a balance between airlift, sealift, and prepositioning. Given the magnitude of force withdrawals under consideration (in several areas, not just Europe) and the scope of the uncertainty we face in unpredictable areas around the world, airlift and sealift must be viewed as complementary. While increased warning time for a European conflict may allow us to use more sealift to return forces to Europe, it does not obviate the need for airlift. Increased warning time does not necessarily produce a corresponding increase in reaction time. As uncertainty and instability around the world increase, the ability to respond quickly becomes even more important.

Airlift provides vital speed, flexibility, and timeliness. When an operation needs to be carried out quickly—as was determined necessary for Just Cause—airlift will be the key player. Yet we cannot be complacent that our ability to execute quickly to Panama tells the whole story. For Just Cause we had a highly developed infrastructure in theater, over half the forces in place, deploying forces that travelled lightly—even for light forces—and a destination that was relatively close. Next time, the challenge may be tougher, but the requirement for timeliness will be just as great. The 1973 Arab-Israeli War provides an example of the importance of timeliness, particularly for our more uncertain future world. Sealift delivered 74 percent of the total resupply of Israel, but the war was over 5 days before the first ship arrived. The key to airlift's critical contribution to Israeli success was not millions of ton miles/day, but delivery of key assets when they were critical.

The C–17 is vital to modernizing and expanding the nation's airlift capabilities. The C–17 will assume the responsibility as our primary strategic airlift aircraft when fully operational—a role currently filled by the aging C–141, which is approaching the end of its service life. The C–17 offers much lower support costs than either the C–141 or C–5 and combines the advantages of a strategic airlifter—range, speed, aerial refueling, and payload—with those of a tactical airlifter—short field landing and take-off capability, survivability, maneuverability in the air and on the ground, and precise, prompt delivery. The advantages this affords can be seen using 1983 airlift support missions to Honduras as an example. Two C–5s and 32 C–141s delivered cargo to the only airfield in the country capable of supporting these strategic airlifters and an additional 232 C–130 sorties were needed to transfer this material to smaller airfields closer to employment locations. Using the C–17 to deliver cargo from the United States directly to the smaller airfields would only have required 19 aircraft.

Our tanker fleet will also become of increased importance to support the global reach and combat capability of all the Services. Air Force tankers provide the capability to refuel Air Force, Navy, Marine, and many allied aircraft leveraging all Service capabilities on land, sea, and in the air. Aerial refueling increases the range, loiter times, and ordnance capabilities of receiving aircraft—true force multiplication. To bolster our refueling capabilities, we are continuing to re-engine KC–135s (which enhances KC–135 fuel offload potential and reduces annual operating costs) and are adding multipoint capabilities (that is, the capability to refuel more than one aircraft at the same time) to elements of the KC–10 fleet. Multipoint refueling multiplies the effectiveness of tankers providing assistance to the Navy and Marine Corps as well as our allies.

SPACE

U.S. military space capabilities contribute to our deterrence strategy in a variety of ways. Satellite early warning capabilities warn of Soviet space and missile launches, prevent surprise attack, and allow the United States to determine the appropriate response to Soviet actions. Space surveillance systems track, categorize, and assess the capabilities of all space objects. Space-based communication systems, such as Air Force Satellite Communications (AFSATCOM), the Defense Satellite Communications System (DSCS), and in the future, Milstar, ensure effective, rapid communications with U.S. strategic and tactical forces throughout the world. Other capabilities like the Global Positioning System (GPS) and Defense Meteorological Satellite Program (DMSP) enhance the effectiveness of our forces by providing navigation and environmental monitoring information, respectively. Finally, space systems also contribute to arms control by providing monitoring capabilities that enable us to confidently enter into verifiable agreements.

The U.S. satellite payload schedule was delayed in the late 1980s due to the Shuttle and Titan accidents. This on-orbit capability in space is essential to our national security. The Air Force scheduled recovery launch rate peaks at approximately 22 in 1990, but we will not be able to launch all of the backlog of satellites until 1996.

The Advanced Launch System (ALS), a joint DOD-NASA program, had been identified as our future national space launch capability. Recent fiscal restructuring during the FY 91 Budget development required the Air Force to defer the initiation of FSD of an ALS vehicle, but technology development will continue under the Advanced Launch Technology program, intended to transfer technology to the existing boosters and lay the basis for future development of a new vehicle.

The National Aero-Space Plane (NASP) is also a joint DOD-NASA undertaking. The Air Force has program management responsibilities for the NASP. The program will develop the technologies needed to allow a decision on whether to develop a classic X-vehicle that would demonstrate the capability of single-stage-to-orbit with horizontal takeoff and landing and long-range hypersonic cruise.

CONCLUSION

The FY 1991 budget marks a year of transition. The Air Force has developed a program that will sustain a high level of readiness while permitting us to continue priority modernization programs. Overall, the FY 91 Budget will also position the Air Force to realize significant future cost savings through post-FY 91 reductions in force structure and forward basing. But the Air Force's focus is on evolving U.S. national security needs—not simply on fiscal constraints, though they too are real. The Air Force is building a force with agile and responsive capabilities tailored for the world we see unfolding before us. We will continue developing these capabilities in the 1992 POM and beyond, planning the "pieces" of our Air Force to complement each other and the forces of the other Services, while creating optimum power under a wide variety of possible circumstances.

The Air Force possesses unique capabilities which must be harnessed, along with those of the other Services, to address the exigencies of evolving national security policy. We see a window of opportunity to make ourselves more useful to the Nation. With the Air Force's global reach and rapid reaction, we are prepared to meet the challenges of the future.

Biographical Sketches

DR. DONALD B. RICE

Donald O. Rice is Secretary of the Air Force.

Dr. Rice was born June 4, 1939, in Frederick, Md. He earned a bachelor of science degree in chemical engineering from the University of Notre Dame in 1961, a master's degree in industrial management in 1962, and a doctorate in economics in 1965, both from Purdue University. He was awarded two honorary degrees: doctor of engineering by Notre Dame in 1975 and doctor of management by Purdue in 1985.

In April 1972 Dr. Rice became president and chief executive officer of The RAND Corp., an independent, nonprofit, public service institution which conducts research and analysis on problems of national security and domestic affairs, and doctoral degree programs in several fields of public policy. He served in that capacity until May 1989, resigning to accept appointment by President Bush as Air Force Secretary.

From September 1970 to April 1972 he served as assistant director in the Office of Management and Budget, Executive Office of the President, Washington, D.C. He was responsible for budgeting, program analysis and management improvement activities in the areas of agriculture, atomic energy, commerce, energy, environment, natural resources, public works, science and technology, space and transportation.

From February 1969 to September 1970 he served as deputy assistant secretary of defense for resource analysis. He was responsible for analysis of cost, manpower and logistics requirements, preparation of fiscal guidance issued by the secretary to the military services and the coordination of DOD's program and budget planning with the National Security Council. He had served as director of cost analysis in the Office of the Secretary of Defense from June 1967.

He was commissioned as a second lieutenant in the U.S. Army Ordnance Corps upon graduation from Notre Dame in June 1961. From June 1965 to June 1967 he served on active duty as first lieutenant and then captain in the U.S. Army. During that time, he was assistant professor of management and acting deputy director for academics at the Navy Management Systems Center, Naval Postgraduate School, Monterey, Calif.

From 1975 to 1977 he was appointed by the President to serve as chairman of the National Commission on Supplies and Shortages. He then was requested by the President to direct a resources management review for the secretary of defense, which he conducted from 1977 to 1979. From 1974 to 1986 he served two terms on the National Science Board.

He assumed his present position as Secretary of the Air Force in May 1989.

Dr. Rice has published articles, reports and papers dealing with economic policy, government organization and budgeting, defense resources management, energy systems, strategic capabilities and arms control, regulatory problems, and analytical techniques.

He was awarded the Secretary of Defense Meritorious Civilian Service Award in September 1970. He also was a Ford Foundation fellow.

Dr. Rice is married to the former Susan Fitzgerald of Evanston, IL. They have three sons: Donald B. III, Joseph J. and Matthew F.

GEN. LARRY D. WELCH

General Larry D. Welch is chief of staff of the U.S. Air Force, Washington, D.C. As chief, he serves as the senior uniformed Air Force officer responsible for the organization, training and equipage of a combined active duty, Guard, Reserve and civilian force of nearly 1 million people serving at approximately 3,000 locations in the United States and overseas. As a member of the Joint Chiefs of Staff, he and the other service chiefs function as military advisers to the secretary of defense, National Security Council and the president.

General Welch was born June 9, 1934, in Guymon, Okla., and graduated from Liberal (Kan.) High School in 1952. He received a bachelor of arts degree in business administration from the University of Maryland and a master of science degree in international relations from George Washington University, Washington, D.C. The general completed the Armed Forces Staff College at Norfolk, Va., in 1967 and the National War College at Fort Lesley J. McNair, Washington, D.C., in 1972.

He enlisted in the Kansas National Guard in October 1951, serving with the 161st Armored Field Artillery until he enlisted in the U.S. Air Force. In November 1953 he entered the aviation cadet program and received his pilot wings and commission as a second lieutenant. He served initially as a flight instructor until his assignment in July 1958 to Headquarters Air Training Command, Randolph Air Force Base, TZ.

General Welch then served in tactical fighter units in Europe, the continental United States and Alaska before transferring to the Republic of Vietnam where he flew combat missions in F-4C's over North and South Vietnam, and Laos.

After completing the Armed Forces Staff College in July 1967, he was assigned to Headquarters U.S. Air Force, Washington, D.C., under the assistant chief of staff for studies and analysis. Upon graduation from the National War College in July 1972, he was assigned to Tactical Air Command, where he served in wing deputy commander for operations, vice commander and wing commander positions.

In August 1977 he transferred to Headquarters Tactical Air Command where he served as inspector general, deputy chief of staff for plans and deputy chief of staff for operations. In June 1981 he became commander of the 9th Air Force and Air Force component commander for the Rapid Deployment Joint Task Force. In November 1982 he was assigned as deputy chief of staff for programs and resources at Air Force headquarters and became vice chief of staff of the U.S. Air Force in July 1984. From August 1985 to June 1986 he served as commander in chief, Strategic Air Command, and director, Joint Strategic Target Planning Staff, Offutt Air Force Base, Neb. He assumed his present duties in July 1986.

The general is a command pilot with more than 6,500 flying hours. His military decorations and awards include the Defense Distinguished Service Medal with oak leaf cluster, Distinguished Service Medal with oak leaf cluster, Legion of Merit with oak leaf cluster, Distinguished Flying Cross, Meritorious Service Medal, Air Medal with six oak leaf clusters, Air Force Commendation Medal with two oak leaf clusters, Joint Meritorious Unit Award and Air Force Outstanding Unit Award with "V" device and two oak leaf clusters.

He was promoted to general Aug. 1, 1984, with same date of rank.

General Welch is married to the former Eunice Ellis of Liberal, Kan. They have three sons, Brian E., Stewart R. and Paul A., and one daughter, Leslie A.

STATEMENT OF GEN. LARRY D. WELCH, USAF, CHIEF OF STAFF, U.S. AIR FORCE

Senator INOUYE. General.

General **Welch**. Thank you, Mr. Chairman. I would just emphasize a couple of points to further emphasize our change in approach to what we recognize to be a changing world.

SMALLER, HIGH-QUALITY FORCE

The Secretary has indicated that we are well into the process of becoming a smaller force. We recognize that we can do that. I think it is clear, though, that whatever size force is ultimately required, it must be a modern, high-quality force in order to serve the Nation's needs, and I would stress that even in that area we have made very significant adjustments to the kind of modernization programs with the number of modernization programs we are pursuing.

In fact, we have reached the point where we have a single modernization program in each of our core conventional mission areas.

Certainly, none of us can know for certain the ultimate outcome of all the political turmoil in various places in the world. But we do know a great deal about the military capabilities that are emerging around the globe. One of the characteristics that we will deal with is a proliferation of high technology around the globe, and we see no reversal in that. In fact, the Soviets' quest for hard currency is creating an increased effort on their part to export very high technology modern tactical and air defense systems.

ADVANCED TACTICAL FIGHTER [ATF]

In the face of that, in the tactical fighter world the Air Force and the Navy are depending on a single program for future air superiority needs, and that is the advanced tactical fighter. If we field the advanced tactical fighter on the current schedule, the first squadron will be operational in the late nineties.

At that time, the Air Force's F-15 and the Navy's F-14 will have been serving that vital role for more than 25 years. The fact that we can extend the capabilities of those two aircraft to perform that most difficult of tactical fighter missions for 25 years is a testimonial to the quality of those programs.

But if we fail to field the ATF at that time, then we will simply lose technological superiority in that very important area, with all the impacts that go with that.

In a similar vein, the Air Force will terminate our F-15E program after this year, and that will leave the Air Force and the Navy depending on a single program to modernize our interdiction forces, and that is the Air Force ATA and Navy A-12.

We are pursuing a single program to modernize strategic airlift, the C-17. I will not take your time to describe all the reasons we need a C-17. The point is, though, it is the single program available to us to ensure the long-term viability of our capability to deliver U.S. forces when and where they are needed.

So what you are seeing in the Air Force 1991 budget request and our planning beyond 1991 is recognition that we can support U.S. national strategy with a smaller force and recognition that we can afford only the core essential modernization programs in the budget environment that we will face.

But while it is important that we account for changes in the world as we do our force planning and our programming in the future, I think it is equally important that we recognize what has not changed significantly. Clearly, the capability of Warsaw Pact conventional forces to threaten Western Europe is significantly diminished and we have adjusted our force plans to that fact.

SOVIET NUCLEAR CAPABILITIES

On the other hand, the Soviet nuclear capabilities, the Soviet strategic nuclear capabilities, continue to grow at this point in time. If we achieve all the objectives of START, and I believe we will, the Soviets will still be left with more than 7,000 modernized highly capable warheads.

They are fielding two mobile missile systems. They are fielding two bombers. They continue to field modernized ballistic missile submarines. So my point is that, in reality, for strategic nuclear deterrence we will continue to have a vital need for a robust, modernized strategic nuclear triad of forces, although it can be somewhat smaller.

So what we ask for, of course, is your support for a well-conceived, well-paced program to adjust our forces to the emerging world. And I appreciate the opportunity to engage in our discussions today.

Thank you, sir.

GENERAL ACCOUNTING OFFICE

Senator INOUYE. Thank you very much, General.

Let us talk, Mr. Secretary, about an agency that has been an irritant to you, the GAO. Recent reports suggest very strongly that the Air Force does not effectively account for billions of dollars of its resources, and it said, for example, that more than 70 percent of the assets of the Air Force's consolidated statement of financial position were unauditable for fiscal year 1988.

What has been your response to that?

Secretary RICE. Mr. Chairman, I think there are several points that need to be made in response to that. First of all, I want to emphasize as strongly as I can that we are committed to effective financial management within the Air Force, and in fact I am pleased to see as I look back at what has gone on in the several years prior to my coming into this post that the Air Force financial management community, as part of the self-study and self-reporting process that is called for in the law, has identified weaknesses in the financial management systems and, in fact, has put in place a program to make software and other improvements, information system improvements, in order to correct those deficiencies.

GAO REPORT MISLEADING

Having said that, however, I have also offered a different response to the GAO report, because I think they have gone well beyond an appropriate interpretation of those findings about the details of how financial management systems operate and have created a significantly misleading impression about the information that the Air Force has been providing the Congress.

There was no mention in the GAO report of our planning, programming and budgeting system inside the Department. There is no mention in the GAO report of the selected acquisition reports, which are the mechanisms that the Congress has required in the law by which the administration reports to the Congress the costs of major weapons systems.

The GAO found in its study that the numbers reported to the Congress in the selected acquisition reports are quite accurate. The GAO also recognized in its report that the Air Force accounting systems—and those, of course, of other services and agencies of Government would be judged in a similar way, I think—that those systems are capable in exercising the fiduciary responsibility that they were built for to ensure that the control of obligations, of appropriations, that the Congress has provided is exercised appropriately.

So I think to some extent what we have here is the setting of a somewhat different standard for financial accounting systems, more akin to those which are used in the private sector, and there can certainly be some value to be gained from systems which meet those standards, but we should not underestimate the significant costs that will be associated with putting in place systems which meet the kind of standards that the GAO is referring to.

I think you will find this view that I have just described is shared by the Inspector General's Office in the Defense Department, for example, as well as other parts of the Department.

Having said all of that, though, I would like to emphasize again what I started with. We are committed to the highest quality financial management systems that are required in the Department. We know there are improvements that can be made. A major part of the defense management review that will be implemented DOD-wide is devoted to improving the systems of the sort that the GAO was reviewing.

So we know that there is a lot that can be done for improvement. But again, I think the overall impression that the GAO report leaves is really quite misleading.

Senator INOUYE. In other words, you are willing to stand by the budget request that you have submitted for this fiscal year?

Secretary RICE. Oh, yes, sir. I do not think there is anything in the GAO report that suggests that there is any basis for questioning the quality of the numbers that are in the budget report, in the budget request.

ADVANCED MEDIUM-RANGE AIR-TO-AIR MISSILE [AMRAAM]

Senator INOUYE. General, may I ask a question on the AMRAAM. I note that you have halted all acceptance of production AMRAAM missiles, citing continued failure in the testing program. What is the latest status now?

General WELCH. Yes, sir; let me clarify that. The testing program is going very well. We have now conducted 89 test shots with the AMRAAM. It has a 77-percent success rate. The most demanding and most successful test program in terms of the performance of a missile we have ever had.

The problem is the reliability and durability of the missile during captive carriage, and captive carriage on a fighter aircraft is a very difficult environment. We have a set of reliability standards for that captive carriage and, because of quality control difficulties, the missile is not meeting those standards.

We have had 10 failures. As we examined each of those failures, we find that there is no design flaw in the missile. It is a matter of quality control. So until such time as the contractors exercise the proper quality control, we have decided to take this action to ensure that they devote the proper attention to that problem.

We are convinced they can solve it, but we are also convinced that this step was necessary to ensure that they do that.

Senator INOUYE. About how soon do you think they will correct this?

General WELCH. We were scheduled to have a Defense Acquisition Board in May for the next milestone, and I question whether they will have solved the problem in time for that Defense Acquisition Board. It may take a couple of months beyond that.

But clearly, the missile itself is performing very well. Clearly, we are convinced that can solve these quality control problems.

PERSONAL PROPERTY ASSETS

Senator INOUYE. Mr. Secretary, my staff has been told that the Air Force is unable to provide either an inventory or a valuation of the personal property assets slated for disposal in accordance with the Department's overseas base closures and realignments for a possible CFE agreement.

Will the transportation and redistribution of this material among the services or other Government agencies be too costly and require that it be disposed locally?

Secretary RICE. Mr. Chairman, I will have to look into that matter and get you an answer for the record. I am not presently familiar with our assessment.

Senator INOUYE. Then may I submit for your consideration several questions relating to personal property assets, overseas personal property assets. They would amount to many millions of dollars. I would like to know what is going to be happening to the furnishings and such there.

Secretary RICE. Fine, sir. We will be happy to look into that for you.

Senator INOUYE. I am looking over all of these questions here, and some are too technical, I think, for proper consideration here. So if I may, I would like to submit all of them.

Secretary RICE. Fine, Mr. Chairman.

RAIL GARRISON VERSUS MIDGETMAN

Senator INOUYE. General, the Soviet strategic nuclear threat against the United States is likely to be reduced under the expected START Treaty. Secretary Atwood has even predicted the pace of Soviet strategic modernization may slacken. Given these circumstances and the need to adjust to severe fiscal constraints—and I realize that the question I am about to ask is not one that you would want to respond to, but we will have to respond to that, because I feel that the mood of the Congress at this stage will not support both the Rail Garrison and the Midgetman—if you had to make a decision, which one would you pick?

General **Welch**. Well, as you predicted, that is a very tough choice to make. Let me put it in better perspective. While we certainly expect that the START negotiations will produce—will allow us to reduce the size of the strategic nuclear forces, we have accounted for that in all of our plans.

As you will recall, as we embarked on the START negotiations that was well-harmonized with our strategic modernization plans. Or, said another way, we adjusted our strategic modernization plans to account for the assumption of a successful outcome of START.

We dropped our Peacekeeper request from 100 missiles with 10 warheads each to 50 missiles with 10 warheads each. We delayed the introduction of the small ICBM to begin, the first introduction, in 1997 rather than at the much earlier date.

There was mention early on that there would be some 7,000 to 9,000 warheads permitted under the START Treaty. I think the important thrust of the START negotiation was not the number of warheads; it was to reduce the vulnerability, to increase the stabilizing nature of the force by reducing fast flyers, and making the remaining fast flyers preferably more survivable in the interest of stability.

The START Treaty will reduce the Soviet ballistic missile warheads by about one-half. It will reduce our ultimate goal by about 40 percent. Those forces that remain will be more stabilizing if they are more survivable, and I think that that is the general agreement among all people who are involved in this.

The desirability of the mobile ICBM's, both the Peacekeeper Rail Garrison and the small ICBM, rests on their increased survivability and, therefore, their increased contribution to stability.

Our priority had always been based both on the marginal cost and the marginal return of those two programs. Clearly, Peacekeeper Rail Garrison can be completed for something like $6 billion then-year cost. For an equal number of small ICBM's, the then-year cost to complete is something more than $30 billion.

That alone influences our priorities. We clearly get a much greater return for the investment out of the near-term program, which is Peacekeeper Rail Garrison.

I would not want that to be interpreted, though, as lack of support ultimately for small ICBM. The difficulty with small ICBM within the Air Force in this budget environment is simply the ultimate cost of that program. It is a very expensive program.

SOVIET MOBILE SYSTEMS

Senator **Inouye**. In your opening summary statement, you emphasize that the Soviets are presently deploying two mobile systems. Can you describe it for us so that we would know what we are faced with?

General WELCH. They are currently deploying the SS-24 rail-mobile system, which is somewhat similar to the Peacekeeper missile in that it carries 10 warheads. They have a number of them deployed now on the rails and they continue to deploy those at a planned pace.

I cannot tell you what the ultimate numbers will be, but it is an existing system. It is on the rails today in the Soviet Union, and it is operational.

At the same time, they continue to deploy the SS-25 single-warhead road-mobile missile in very significant numbers, and we see no indication of any slackening in pace of deployments in either of those programs.

Senator INOUYE. Both these systems are operational at this moment?

General WELCH. That is correct, sir.

Senator INOUYE. But you have no idea how many warheads are involved?

General WELCH. I have no idea what their ultimate plans are. I certainly know how many warheads are deployed today, but that is a classified number. But we can only speculate as to their ultimate plans and, quite frankly, I would suspect their ultimate plan will depend on the outcome of the START negotiation since the number of mobile warheads that would be allowed to each side is a subject for negotiation under START.

Senator INOUYE. I have many other questions, but I know that several other members are present here. I would like to recognize the vice chairman of the committee, Senator Stevens.

Senator STEVENS. I will pass, Mr. Chairman.

Senator INOUYE. Senator Rudman.

Senator RUDMAN. Thank you, Mr. Chairman, Senator Stevens. I have about three questions. I will try to keep them brief.

IMPROVING OUR MISSILE CAPABILITY

I notice that in your budget documents—and I would let you decide which of you would like to answer the question—you have no funds for continuation of the AIM-9 Sidewinder. You also have terminated the multinational ASRAAM, which is, I guess, the advanced short-range air-to-air missile, which was going to be the successor to the Sidewinder.

INTERMEDIATE-RANGE MISSILES

My question is, What is your view towards improving our capability of IR missiles as we come into this next decade and the decade starting with the year 2000, considering the cancellation of ASRAAM and the no new funding for AIM-9's?

General WELCH. In the case of the AIM-9 Sidewinder, of course, we have very nearly achieved our current objective for that missile. The line remains open under a Navy contract, so if we do have future needs for that missile the line is still open.

We terminated ASRAAM simply because it was not working. We stayed with that program for a number of years. I think we were very patient. We were very patient in trying to solve the problems of providing the missile with the proper weight and the proper reliability and the other things that we require.

As for future prospects, there is an AIM-9R program that is under development by the Navy that looks attractive. But there are several other, considerably lower cost approaches to providing an improved missile to follow on to the AIM-9L and AIM-9M that are available to us. But we are currently exploring which of those is the best way to go, given our disappointment with ASRAAM.

Senator RUDMAN. Are any of your R&D funds, going into the improvements for IR missiles of various kinds, or is it all Navy funding at this time?

General WELCH. We have some funding. I would have to get for you for the record how much funding and under what PE that is.

Senator RUDMAN. If you could, I would appreciate it, sir, mainly because as you talk about the eventual deployment of ATF, which I fully support, it seems to me, and I am sure it occurs to you with your background, the Air Force that would particularly like to get new, improved IR missiles for equipping that aircraft.

General WELCH. Indeed we would.

Let me hasten to point out, though, that the AIM-9M is a very capable missile. There is an opportunity to improve the seeker and the range on that missile and we are pursuing those opportunities. But I do not regard our disappointment with ASRAAM as crippling to our future IR programs.

Senator RUDMAN. I understand that, but I am just thinking in terms of the more sophisticated electronic countermeasures [ECM] that are deployed against IR systems. Without getting into classified information, it becomes very important to do all the work we can on the discriminators that those missiles can use.

General WELCH. I fully agree.

Senator RUDMAN. If you can answer for the record what kind of money we are putting into that, I would appreciate it.

[The information follows:]

MONEY FOR AIM-9M IMPROVEMENTS

The Air Force is exploring a modification to the inventory of AIM-9M missiles. This modification improves the guidance control unit, increases performance against infrared countermeasures, and increases target acquisition capability. If we proceed with this modification, funding will be identified in future budget proposals.

AIRCRAFT IDENTIFICATION DEVICE

Senator RUDMAN. The second question I have is on another system. I became concerned earlier this winter when I heard that the Mark XV IFF NATO device was going to be discontinued. I now note that Mr. Atwood says that we are going to continue with that device, assuming that NATO countries participate.

My question is, if they decide not to, for some reason, does that mean that we are going to continue with the 1950's vintage Mark XII, which seems to me like putting an old-fashioned carburetor on a racing car? I would think that you all would want very, very sophisticated IFF devices on your fighters.

General WELCH. Well, as I know you well understand, the IFF does not perform the task it needs to perform unless it is very widely used by not only the U.S. forces, but by our allies. So I think for the IFF to perform its intended function, it is essential that our allies also commit to that.

Senator **Rudman**. How likely do you think that is, that they are going to commit to continuing that program?

General **Welch**. That is currently being sorted out. Certainly there are a number of the allies that are very much committed to the program, the United Kingdom for example. There are other of the smaller allies who are somewhat reluctant to take on the costs. That is what has to be sorted out, and it is the total impact of all of those costs.

The individual IFF is not all that expensive, but when it has to go on every aircraft then it adds up to a considerable cost for those smaller air forces.

Senator **Rudman**. Of course the alternative—I understand what you are saying, General. The alternative, though, to continue with Mark XII, is pretty antiquated considering the threats.

General **Welch**. There are some—and within the limits of the open hearing—significant upgrades to the Mark XII that will enhance its capability.

Senator **Rudman**. Well, if you could answer for the record. That is classified also, but answer on that for the record. I would appreciate it.

General **Welch**. I sure will.

[The information follows:]

MARK XII

MARK XII security can be improved by adding an additional secure mode that incorporates an algorithm change and [deleted]. This mode improves MARK XII's resistance to exploitation, decreasing the enemy's ability to home on the MARK XII signal, but does not affect range or interrogation accuracy. [Deleted.]

UNDERFUNDING ELECTRONIC COUNTERMEASURES

Senator **Rudman**. I have always had a concern on this committee that we spend a great deal of money on platforms, but we tend to underfund ECM of various kinds. Though this is not technically ECM, it falls into that same category. And we spend a lot of money on platforms, but in a real shooting war if you do not have that ECM working, including pretty good IFF, you could lose a lot of aircraft.

General **Welch**. Yes; very valuable.

Senator **Rudman**. The third item, a very interesting item in Defense News in the last several days, a freedom of information request was made by, I believe, the Union of Concerned Scientists, and it was made on the life of the B-52G.

It produced a letter and a study from SAC indicating that the B-52G and H models are capable of flying out to the year 2025, 2030. They are flying a maximum of 41,600 hours and 43,000 hours, respectively. They have only flown 12,000, which is about 30 percent of their life.

Obviously, this kind of conflicts with testimony that we have seen and heard from General Chain relating to the life of the B-52G and B-52H, in which the service talks about phasing them out in, I believe, 1998.

Now, obviously it is a very important question in terms of the B-2 because there will be a great debate here on the Hill and in the Air Force, I am sure, as to whether or not we go to standoff cruise missiles as opposed to the B-2 in any great numbers. Even if we build some B-2's, we are still going to have to have a Triad, or I call it lately, a diad and a half, if you are only going halfway to the target.

My point is, is that reliable information? Can we depend on the B-52 G's and H's as cruise missile carriers into the year 2025? And if that is so, may I ask the Secretary, why was not the committee told that some time ago, because that is not the information we received?

I mean, you can both answer the question, but that to me is a fairly serious omission of information that I think we should have had.

General **Welch**. Let me start. The answer is that the Union of Concerned Scientists did not need an FOIA to get that information. We have no secret about that. General Chain has never said the B-52 would wear out. He has said it will be unable to perform the penetrating mission. All of our plans retain the B-52H to well beyond the year 2000, and any force plans that we have ever shown anyone include the B-52H to well beyond the year 2000.

We have made the investments in the B-52H that we feel are required to allow that airplane to perform efficiently as a cruise missile carrier out to well beyond the year 2000. The airplane is rapidly becoming obsolete as a penetrating bomber, but that has nothing to do with age. It has to do with technical capabilities.

The newest B-52, by the way, is 29 years old and that is the newest H. So clearly there has been a very large investment in those airplanes over the years to upgrade the ECM and upgrade the offensive avionics.

In the case of B-52G, there are two factors that argue for its retirement. One is that the START negotiation outcome will not permit us the additional numbers of cruise missiles that would be required to equip the B-52G in the long term. So clearly the B-52G will be one of the casualties of START negotiations. None of us expected that we would have a START negotiation with no reductions.

Second, the cost of continuing to upgrade and maintain the B-52G, given its limited utility because of START outcomes, led us to the conclusion that we should not make that additional investment in the B-52G.

The B-52H's have the more modern engine, while the B-52G has the old J-57 engine in it. So again, to keep the G for a long period of time we would need to go to the expense of reengining them, which is fairly expensive.

So all of those things argued against trying to retain the technical capability of the B-52G or trying to upgrade to the point that it would be worthwhile to keep them. None of that is true of the H. The H is under our long-term plans and always has been.

Senator **Rudman**. Well, I guess all of that depends. I mean, your planning to some extent has depended—and I think we have all originally thought of a deployment of a force of 120 B-2's. My point, I guess, is that if for some reason that does not happen, it seems that in the H we have a very good alternative, not for a penetrating bomber, but for carrying particularly some of the more sophisticated cruise missiles that we see on the drawing boards that might IOC in the late part of this decade.

Is that not so, General?

General **Welch**. We are counting on retaining a B-52H force capable of carrying the maximum number of cruise missiles permitted by the START Treaty for an indefinite period of time.

Secretary **Rice**. Senator Rudman, that has been part of the force projections as far as I am aware right along.

Senator **Rudman**. Well, when you read General Chain's statement, I mean, it is a very carefully worded statement. It talks about "being replaced by 1998 because of its inability to penetrate increasingly sophisticated Soviet air defenses."

Secretary **Rice**. The key word, Senator, is "penetrate."

Senator **Rudman**. Yes; then he talks about it being very valuable as a cruise missile carrier. But then he further says, "Well, the B-1B is a better penetrating bomber." And when you read the whole statement, it comes clear that there is not a lot of value being placed, at least in that statement, on the B-52H.

I just disagree with that statement. Evidently you do also.

Secretary **Rice**. No; I do not believe I am disagreeing with the statement. I think if you read it carefully, the key word is "penetrate" in both sentences, that he is talking about the transition of the B-52 out of the role in which it would ever be required to penetrate at all into a role in which it is entirely a standoff cruise missile carrier.

Senator **Rudman**. Mr. Secretary, I understand that. I just do not think General Chain's statement says what you think it says. At least it did not say it until a lot of people reread it. So I guess statements are in the eye of the beholder. And I am glad the B-52H is in your vital plans for the future.

B-1B BOMBER

Let me just, in the time I have remaining, ask you quickly about the B-1B. How much money is it currently estimated it will cost, that we will have to appropriate to bring your two-tiered approach, as I understand your approach to fixing that as a penetrator?

How much is that going to cost in 1990 dollars to bring that so it will fulfill its mission?

Secretary **Rice**. I believe, Senator, attempting to fish the numbers out of my memory—and I will check them for you for the record—but we show a requirement for, I think it is, $489 million for new procurement funds for the radar warning receiver and a requirement which is now—it was as of the start of this calendar year $418 million to go, which would be M account funds principally, with some active funds that are also left in the account to carry out the modification to the ALQ-161.

So the combination of those two components would produce the enhanced ECM capability.

Senator **Rudman**. Are those two separate numbers?

Secretary **Rice**. Those are two separate numbers.

Senator **Rudman**. So we are talking $800 to $900 million?

Secretary **Rice**. One of which, part of which, the first of which, is new appropriations; the second part of which is an M account requirement.

Senator **Rudman**. And General Welch, are you at a point yet in testing and evaluation, that there is confidence that when those systems are installed and the enhancement is complete, that that bomber will be able to penetrate, as it was originally represented to the Air Force and the Congress?

General **Welch**. I think that there is confidence from analysis. We have not yet tested the system. But at this point in time we certainly have reasonably high confidence that this two-tiered approach will give the aircraft substantially all of its expected penetration capability.

Senator **Rudman**. And when will those tests start?

Secretary **Rice**. Senator, we are committed to an acquisition strategy for the enhanced, the upgraded ALQ–161 that carries out the remaining development effort and tests with no commitment to production until those tests are complete and independent analysis has been conducted of those results and all of that is reported back to the Congress.

Senator **Rudman**. Will that be in the next year or two?

Secretary **Rice**. I believe that should be yes, it is within that time period. I do not remember exactly when within that time.

Senator **Rudman**. Thank you very much.

Senator **Inouye**. Thank you.

Senator Cochran.

Senator **Cochran**. Thank you, Mr. Chairman.

COUNTERNARCOTICS

Mr. Secretary, I know you are aware of the President's national drug control strategy, a guidance policy that will try to help mobilize our Department of Defense forces so that a more effective job can be done in combating narcotics trafficking and drug smuggling into the United States.

I notice in your report which we have, "Report to the 101st Congress," the last entry on page 59 talks about this subject, and you mention some radar facilities that are being manned by Air Force personnel, some efforts to coordinate the sharing of information obtained through those efforts with law enforcement agencies.

I just wonder what your evaluation is of the progress being made to elevate as a national defense responsibility the counternarcotics effort. Is this money being well spent in terms of any kind of payoffs? Are we getting any evidence that this is making a difference in cutting down the amount of drugs coming into the country?

What is your evaluation of the effort so far?

Secretary **Rice**. Senator Cochran, let me begin by saying I think this administration has made a very important and significant change in this area. It begins with the President and the Secretary of Defense recognizing that the drug problem is, in fact, a significant national security problem for the United States, as well as a very difficult social and economic problem and health problem.

Given the recognition of that fact, the Secretary has directed that the drug interdiction mission be afforded a higher priority in the planning of the operating commands. The commands have all submitted suggestions to the Secretary of ways they could increase DOD's involvement in drug interdiction.

THREE-TIERED STRATEGY

I think of the problem as being worked in kind of a three-tiered strategy. One tier is activities in the source countries working in collaboration with, in support of, the police forces and military capabilities of those countries to try to do what we can to help them increase their local ability to control the problem in the source countries.

The second tier is the interdiction campaign, if you will, which is what has received the most attention, and it now involves Active and Guard and Reserve forces, naval forces, air forces, and Army forces as well, and that includes all of our efforts to try to intercept shipments that make it out of the source countries before they get into the United States.

Then the third part, which the Department of Defense has a lesser involvement in—the National Guard plays the prime role there—is operations in support of local law enforcement agencies within the United States to try to deal with the problem once the goods have made it out of the source countries and through the interdiction efforts and actually into the United States.

RADAR OPERATIONS

Now, against that strategic concept of how to deal with the problem, we have been increasing efforts right across the board. In the case of the Air Force, there are the increased radar deployments that you have referred to. There are increased deployments of aerostat balloon-borne radars along the southern border. There are significantly increased allocations of AWACS sorties to surveillance of the Caribbean area.

As I said, both Active and Guard forces are involved. We have radar installations in the Southeast sector and in the Southwest sector that work in collaboration with the Drug Enforcement Administration. Whenever those radar operations that integrate the radar takes from several of the different radars that are out there, whenever they pick up a suspicious track, they not only try to identify it as best they can, but arrange to hand off to the other agencies that are involved.

Of course, the Navy has taken on, together with the Coast Guard, significantly increased efforts in the Caribbean as well.

So I think there is really quite a lot that is going on. My own view is it is somewhat early yet to tell what the actual effect of this will be, and I think we should not underestimate the difficulty of the problem. We will not be able to seal our borders by this kind of an effort. I think we can expect to and are already, I believe, imposing more significant costs on those who would ply this trade in the drug business, and that is significant all by itself.

But we have to remember there are many avenues to get things into the country, including commercial shipments, for example, as well as the dedicated flights or shipments by sea that might be the ones that would be somewhat easier to interdict this way.

Senator COCHRAN. Well, I appreciate very much having the benefit of your observations on that. I think it is an important area of activity for the Department of Defense, particularly when we are seeing the drawdown that is inevitable as a result of changes that have gone on around the world. Some people in Congress are going to say, "Well, we can really cut back drastically the amount of money we are spending through the Department of Defense on a lot of these security activities."

But I really think that we might be able to enhance the ability of the Department to defend some of the appropriations if there can be some hard evidence that it is being an effective partner with law enforcement agencies in drug interdiction, other efforts that threaten just as much our national security interests, as you point out, as maybe a military threat from some hostile adversary.

I do not want to suggest that this is going to be the sole reason for the existence of the Defense Department and all of the Armed Forces. Certainly it is not. But I think it could be a very important step toward reassuring those who doubt that our Armed Forces can provide other benefits to society other than just the traditional role that many think of when they think about the armed forces.

ADVANCED LAUNCH SYSTEM

In that connection, I know there is an important role, too, that the Air Force is playing in our space activity effort, and the General mentioned in his statement some of the specific initiatives—the advanced launch system, some of the work that is being done in conjunction with NASA to help modernize our space effort.

Just this next week we are going to be observing the groundbreaking or beginning of construction of an advanced solid rocket motor facility at Yellow Creek, MI, coincidentally, that attracts my interest, and we will be there for that activity.

My question is this, Is the plan of the Air Force to continue to work in a cooperative way so that there is no duplication between what you are trying to do and what NASA is trying to do to move us to this next stage of space capability with the advanced solid rocket motor facility being constructed? Lockheed and Aerojet, I understand, are combining to construct and operate that facility.

We have a new generation of rocket motors coming on line. You mentioned a new vehicle and research that is going to be done in some technologies contemplated in this budget request. Are those compatible with what is going to be done at Yellow Creek, MI, or are you trying to plan it with something new?

That is for you, General, I guess. I could not tell from reading your statement whether that is compatible or not.

NASA-AIR FORCE RELATIONSHIP

General WELCH. Let me first comment on the general relationship between NASA and the Air Force in terms of cooperation. It has never been better. There are a lot of reasons why it has never been better.

One is personalities. The Space Council, of which the Secretary is a member, is a very effective organization, and it will be no secret that the budgets in both agencies create a great deal of incentive for closer cooperation, and that all works very well.

So we certainly have no intentional duplication of any NASA capabilities anywhere. So I can answer that as a general overall statement we have no need for, no desire for, no intention to duplicate any NASA capabilities.

We do have a number of programs in which we are cooperating with NASA. The national aerospace plane [NASP], is a case in point. But I do not have any knowledge of the specific case that you spoke of.

Secretary **RICE**. Senator, I can add just perhaps a little more on the advanced launch system effort. It is also a cooperative effort with NASA, and I think there are two key elements of technology development that are in my view critical to it in its early stages.

One is the development of a new booster engine, which would be in a sense the long pole in the tent toward a new heavy-lift capability in the future, though it could also play a role in a modernized launch capability even short of heavy lift, what we call heavy-lift capabilities.

The second area of technology that is important for either a new system or for application as it can be done to the existing launch vehicles is a whole set of technologies that are involved with making the operation of launch complexes more efficient, reducing the turn-around time, increasing the efficiency with which you can get the next vehicle off the pad.

There are a number of things that need to be worked on there, as I say, both for application to our existing launch vehicles as well as possible application to a new family of vehicles.

Senator **COCHRAN**. Thank you very much.

Thank you, Mr. Chairman.

Senator **INOUYE**. Thank you.

Senator Bumpers.

START NEGOTIATIONS

Senator **BUMPERS**. Thank you, Mr. Chairman.

General, let me just for openers say that when it comes to national security my 8-month-old grandson's future does not look too bright because interest on the debt is becoming the biggest item in the budget. In about 3 years it will be bigger than the entire Pentagon's budget, and I do not think his future looks very bright.

The members of this committee have to consider that as well as an attack from the Soviet Union, and it is a very delicate balancing act we have to go through.

Having said that, in 1987 President Reagan said the reason we have to proceed with strategic modernization is because of the tremendous limits the START talks are going to impose on us in warheads. And you know the rest of the question. We are almost at the completion point of the START talks and the United States is going to have more warheads under the counting rules of that than we had when we started negotiating with the Soviet Union. The Soviet Union will have about 4,000 fewer.

Now, that makes the treaty easy to ratify. It makes it easy for the Senate to advise and consent to the ratification of the treaty.

But so far as stability and world peace is concerned, what does that mean?

I mean, we are no better off than we were when we started so far as the number of warheads both sides have.

General WELCH. Well, I think we are a great deal better off, Senator. At the outset of the START negotiations, both sides' primary emphasis was on an increase in stability and, therefore, the negotiating targets were ballistic missile warheads, the fast flyers, those that were perceived as being most likely to create rapid escalation in any kind of a crisis situation.

The Soviets' fast flyers will be reduced by 50 percent; ours will be reduced by 40 percent. So the additional warheads above the 6,000 or above the fast flyers, are the bomber weapons. Again, at the outset of the START negotiations both sides agreed that the most stabilizing strategic nuclear deterrent are bomber weapons, simply because, while they provide for devastating retaliation, they have no first-strike capability.

Neither side perceives bomber weapons as being first-strike weapons. So the additional warheads above those ballistic missiles that you quote are bomber weapons, which are considered by both sides to be stabilizing.

So while the numbers of warheads are higher than anyone would like, and that will have to await another round, the fact is the nature of the force is much less threatening, much less first-strike capable, much more stabilizing than would the nature of the force had been without the START Treaty. So I think it is an important change in the structure of both sides' forces.

Senator BUMPERS. General, you said a moment ago in answer to a question I believe from Senator Rudman that START was not designed to cut warheads, but improve stability, and that is what you just got through saying. And yet it was President Reagan who sold the American people on the proposition that we were going to reduce the number of warheads by 50 percent and that was the whole motivation for the START talks.

General WELCH. If we reduce the number of ballistic missile warheads by 50 percent, it will reduce the total number of warheads, but not nearly as dramatically as it will reduce the fast-flying ballistic missile warheads.

Now, I regret that the shorthand has continued to hang on in the media and in other places. But we have carefully announced from the outset what the 6,000 limit applies to and what the 6,000 limit does not apply to. The negotiating record, I think, is very clear on that.

But we will reduce ballistic missile warheads by about 50 percent on both sides, not quite 50 percent for us, right at 50 percent for the Soviets.

PEACEKEEPER VERSUS MIDGETMAN

Senator BUMPERS. You also stated a moment ago that you thought—I don't think you said, you thought. You just said that the reason the MX was the weapon of choice by the Air Force is because of the $6 billion cost for completion, as opposed to roughly $30 billion for Midgetman.

Yet, you can agree or disagree, for example, with Paul Nitze, who still believes in the possibility of a bolt-out-of-the blue attack. I am not sure I agree with it, but I think it is a possibility. I want you to tell me, when you deploy the MX-rail mobile, you have four trains at each station, 2 missiles on each train, 8 missiles, each with 10 warheads, for a total of 8 missiles and 80 warheads.,

Now, the normal planning is two warheads will take out a particular site. Do you think that giving 80 warheads in exchange for 2 is a good buy, even at $6 billion?

BOLT-OUT-OF-THE-BLUE ATTACK

General **WELCH**. Let me address first the whole bolt-out-of-the-blue question. I can address it very quickly. We need an adequate deterrent against a bolt-out-of-the-blue attack, I agree wholeheartedly with that.

In order for you to be able to dismiss the bolt-out-of-the-blue, you have to be comfortable with your ability to deter that, and I am perfectly comfortable in our ability to deter that. A bolt-out-of-the-blue by definition will come in the absence of any kind of international crisis that would lead anyone to take that kind of risk.

So for one to choose a bolt-out-of-the-blue attack, you would have to be highly confident that your first strike would be so effective that you would not suffer devastating retaliation from that, and that is simply not possible for any Soviet decisionmaker to make a rational decision to that point.

We have the bombers on alert. We have the ballistic missile submarines on alert. The attacker cannot count on whether or not we will launch the ICBM's. It is improper for me to speculate on whether or not we would. I do not know; and neither do the Soviets.

So my point is, we have an adequate deterrent for a bolt-out-of-the-blue attack. Our concern is to ensure that we also have an adequate deterrent in crisis. When the crisis situation leads one to less rational decisions, we want to be certain that, even under the intense pressure of an intense crisis, the Soviet decisionmaker can never decide they could gain from an attack.

In that case, we would certainly have those rail mobile missiles deployed on the rails.

Let me also point out that, in terms of just pure exchange, how many missiles do they have to fire to get our missiles, which I find is not a terribly relevant exercise, but nonetheless, in pure exchange on tactical warning we can disperse those trains to the extent that it will take more missile warheads for them to get the rail-mobile than they would have to get those missiles in a silo.

Now, that does not make them invulnerable, but it raises the price.

Senator **BUMPERS**. We talk in relative terms. When it comes to deterring the Soviet Union, we want them to know that they cannot destroy our retaliatory capability. But you know, there has to be some end to what we do in deterrence. I mean, we are talking about whether we have an adequate deterrence or a bloated deterrence.

Would you like to see the Soviets give up the SS-24?

General **WELCH**. Certainly. I would like to see them give up the SS–18 more, though.

Senator **BUMPERS**. Well, they are giving up half of them. And I agree with you, I would like to see them give up all of them. But I would like to see both sides also move toward non-MIRV'ed missiles. I think that improves stability more than anything.

RAIL GARRISON

But my question is, why would it not be, if you do not like their SS–24's—and you have stated that they have deployed them in answer to the Chairman's question and that is one of the rationales for the Peacekeeper, as a counter to their rail-mobile—why not lay on the table in Geneva that very proposition, that we will not go forward with the rail garrison if they will dismantle whatever number they have?

General Akhromayev and others have indicated that that might be a very acceptable proposition to the Soviet Union. Why have we not made that?

General **WELCH**. Well, I think there are a couple of things to consider there, Senator Bumpers. One is that we are not advocating deploying Peacekeeper on the rails as a counter to the SS–24, but rather because we are concerned about the SS–18 capability to destroy them in the silos. So it is the SS–18 that drives us to take the Peacekeeper missile out of the silo and put it on the rails.

The SS–24 does not threaten the Peacekeeper silos. The SS–18 does. It is a much larger warhead, much more accurate. So I am much more concerned, in terms of the exchange, I am much more concerned about the SS–18 than I am the SS–24.

MOBILE MISSILES MORE STABILIZING

There is the other factor that becomes more philosophical, and I do not have any better answer than you do, and that is that we would both agree, I think, that mobile missiles are more stabilizing than silo-based missiles. So while I would agree that the fewer MIRV's you have the less attractive the target, on the other hand we have MIRV's to save money. We both understand that.

But I would think that if we were committed to doing away with MIRV's, we would first want to do away with the silo-based MIRV's, because those are far more attractive targets than rail-based MIRV's.

Senator **BUMPERS**. But it would be better as a transition, it seems to me—and Senator Nunn and I had a little colloquy on the floor Friday afternoon on this point, and he certainly agrees with it. It would be better, if you are going to try to move toward a non-MIRV strategic force with the Soviet Union. It seems to me that we are going in the opposite direction by bringing the MX missiles up and making them mobile, if we have an opportunity for both sides to get rid of the MIRV'ed mobile missiles.

Let me ask you one other question, and it really is of concern to me. Paul Nitze, Brent Scowcroft, the three former Chairmen of the Joint Chiefs of Staff—Crowe, Jones, Vessey—you remember John Vessey, do you not?

General **WELCH**. Jack Vessey.

Senator BUMPERS. All of those people have said that they think we ought to torpedo this, and Secretary Cheney seems to be alone in it. What does he know that they do not know?

FUTURE TRADEOFFS OF MIRV MISSILES

General WELCH. Well, of course I have read their testimony very carefully and what they all said is that the subject of a future negotiation ought to be further tradeoffs of MIRV missiles. I do not disagree with that, but we are where we are. We do not start with a clean sheet of paper, and the subject of negotiating away MIRV missiles is a matter for another negotiation.

I think it is important that we conclude the existing negotiation, which does significantly enhance the stabilizing nature of the force, and it is an important agreement. And again, in a future negotiation where we would count on further reductions and further stabilizing measures, I would think that your first target would be silo-based MIRV's, not mobile MIRV's, that if that becomes your target, that would certainly be your second target.

Senator BUMPERS. The point is well taken on that, General. Obviously, you take away some options from them if you take—I was opposed to putting the Peacekeeper in those silos anyway. That never made any sense to me. We should never have put them in there in the first place. It makes too attractive a target. They are very vulnerable there.

B-1 BOMBER

But let me move to another subject. Is the B-1 a penetrating bomber?

General WELCH. It is today.

Senator BUMPERS. How long will it be?

General WELCH. The B-1 is today capable of penetrating to most areas of the Soviet Union. It will, for a considerable period of time, be capable of penetrating to a number of areas in the Soviet Union. My estimate would be that if we do the upgrades to the ECM we are asking for funding to do, the B-1 would be a reliable penetrating bomber in most areas some time past the midnineties.

Then it will begin to fall off in its capability to penetrate into the most heavily defended areas. It will have some penetration capability in some of the less defended areas for a long time to come, but not in those heavily defended areas where the most critical targets are located.

I am only giving you my estimate.

Senator BUMPERS. Sir, you do not have to justify it. I think if somebody can fly a Cessna 150 across the Soviet Union and park it in the Kremlin parade grounds, the B-1 ought to be a penetrating bomber.

General WELCH. I can point out to you that the Soviets knew that thing was coming and that it did not carry much of a payload.

Senator BUMPERS. I am sorry; what was your statement?

General WELCH. I said, the Soviets knew that that airplane was there and it did not carry very much of a payload. I think they would have a somewhat different level of attention span to a B-1.

Senator **Bumpers**. Well, why did their Air Force Minister lose his job over it?

General **Welch**. Same reason I would, I guess, if I had permitted something like that to happen. [Laughter.]

Senator **Bumpers**. General, you state here—we have got to go vote, Mr. Chairman. Let me just ask one question. You can go vote. I just want to ask one question.

Senator **Inouye**. Before we do, there are three votes scheduled—11, 11:30, and 12—but we will be back in between the votes.

BASE CLOSURES

Senator **Bumpers**. General, on a more parochial issue, you state in here that the closing of four Air Force bases will save an additional $1.8 billion by 1995, through 1995. Yet your own studies in 1985 showed that Eaker Air Force Base, which is one of the four, in my State would not even break even for 5 years after you closed it.

What has changed?

General **Welch**. What has changed is the size of the force structure, Senator.

Senator **Bumpers**. The mission there is the same, the planes are the same, the manpower is the same.

Secretary **Rice**. But what is different, Senator, is that we are now in a regime where we are reducing the force structure. I think if we go back and check, you will find that that earlier study would have been in the context of the Base Closure Commission work.

The Base Closure Commission had to operate under a great handicap. The only thing it could eliminate was bases. Anything that it found on a base it wanted to close, it had to pay the costs of moving somewhere else. And that is how you get into this high front-end costs and long payout times from the savings that eventually arise from having closed the base.

We are in a different circumstance today because we are taking down the force, and when elements of the force come down at locations which do not have easy transition opportunities to different missions, then you do not have significant front-end costs associated with that and you get to the savings much more rapidly and those payback times look much more attractive.

Senator **Bumpers**. Mr. Secretary, I have a series of questions I will submit to you in writing on that issue with those studies that the Air Force did and let you show me the comparison and also a year-to-year savings.

I would hope that you would take into consideration the fact that, for example, at Eaker, which is right in the middle of the most poverty-stricken area in the United States, that the unemployment rate will almost certainly go to about 30 percent there. Those costs need to be considered, too.

Thank you, Mr. Chairman.

Senator **Bumpers**. We will stand in recess for 5 minutes.

[A brief recess was taken.]

REDESIGNATION OF THE ALASKAN AIR COMMAND

Senator STEVENS. We hope to be able to, Mr. Secretary and General, keep this going on the basis of a floating quorum. That is like a floating crap game. You know, you are never sure where you are.

But let me ask you, Mr. Secretary. As you know, we are quite interested in the redesignation of the Alaska Command into the 11th Air Force. The one reservation that I have had so far is what happens to the relationship between the Alaska Command and NORAD if the Alaska Command is redesignated the 11th Air Force?

Has that been determined, what would be the relationship of the 11th Air Force to NORAD?

Secretary RICE. Let me ask General Welch to comment on that if he would.

General WELCH. Yes, sir. That would remain the Alaska NORAD region, so the 11th Air Force commander would simply be dual-hatted as a NORAD region commander.

Senator STEVENS. You do not see any problems in the 11th Air Force change in the definition of missions as compared to its current relationship to NORAD in terms of missions?

General WELCH. No, sir; I do not see any violence to the relationship with NORAD. I think it will remain the same as it is now. That is certainly the plan and I see no obstacle to that.

REDUCTIONS IN THE PACIFIC

Senator STEVENS. Another provincial, semi at least, question. We talk about the next century as being the century of the Pacific. I believe that is going to be the case, and yet I see reductions in Korea, reductions in Guam, questions about the future of Clark Air Base.

What is the strategy as far as the Air Force is concerned with regard to the Pacific in terms of what is necessary to maintain a basing strategy for the Pacific in the next century?

Secretary RICE. Senator, we are certainly committed to a forward basing strategy for the Air Force in the Pacific as far forward as we can see. And as part of our planning for future forces, we are putting special emphasis on the kind of longer range and long-reach capabilities that are, perhaps, especially necessary for the Pacific and Southwest Asia kinds of scenarios.

The drawdowns in Korea, it seems to me, are ones that can be taken prudently with two objectives in mind. First of all, most of what we are doing in the Air Force reductions are really efficiency changes. They are reducing the base operating support kinds of activities there, which has the effect, of course, of shifting the burden relatively more to the South Koreans.

You are right to flag the uncertainty about Clark Air Base. Guam, however, we see as a very key installation for a long time to come. The changes that have been made out there were actually directed by the Congress. Those were not at Air Force initiative.

The Congress directed us to take down a squadron of B-52's, and in particular the B-52G's, the conventionally dedicated ones, and in particular the squadron there on Guam. I think you may be aware that CINCPAC registered a strong objection to that change in recognition of the loss of important capability for mine laying, for sea surveillance, for long-range bombing capabilities that that drawdown represented.

We will be working out arrangements for Conus-based units to be in effect dual-based there, to be able to forward deploy and exercise to Guam and be available to support CINCPAC's mission planning as required.

So we certainly see that the Pacific theater is of major importance for Air Force planning for the future and would intend to keep as strong a forward-based posture there as we possibly can.

B–2 AIRCRAFT

Senator STEVENS. Well, I think that we have been very strong supporters of the Air Force, this committee. But I look at this budget this year, we have got the C–17, the B–2, Peacekeeper rail garrison, the small ICBM, the ATF, and it appears that the very proliferation of new systems weakens the survivability of any of them right now as far as the budget process is concerned.

Have you changed your position on the B–2 in terms of numbers now?

Secretary RICE. Senator Stevens, at this point there has not been an adjustment to the program. As you know, the B–2 is the subject of one of the major aircraft reviews that Secretary Cheney has ordered up.

I think I would certainly say from the Air Force perspective we continue to see it as a top-priority strategic system. I believe it gives us, in some sense, the most for our money in that whole domain. It adds to deterrence, provides assured retaliation, which we have got to have in the strategic balance.

It does that in a way that enhances stability because it offers no first-strike threat at all, being among, of course, the slow flyers. It gives us a leg up on target coverage compared to any other system. It brings along great flexibility, which I think has got to be the hallmark of planning for our future defense capabilities, whether we are looking at the Pacific theater or the nuclear missions.

When we talk about quick response, long-range, high-payload kinds of capabilities for the future, the B–2 is the kind of system that in conventional applications can cover the whole globe from three secure bases, of which Guam would be one of them in fact.

Senator STEVENS. We are all reading about the Secretary's review. Are you and General Welch making comments to the Secretary concerning the Air Force's position on the review that has been reported?

General WELCH. Yes, sir; we are a part of the review. We have our inputs and we have people who are constantly engaged on the review.

RESEARCH AND DEVELOPMENT

Senator STEVENS. Let me ask you about the R&D for the period beyond these systems. You have a series of systems before us now that are not completely funded that I just mentioned before. Do you have R&D for reaching out beyond those systems into the next century?

Is there a follow-on to the B-2? Is there a follow-on to the ATF? Is there a follow-on to the C-17? Do we have R&D for a follow-on system?

General WELCH. We have science and technology work, basic science and technology work, that is reasonably well funded, and develops the technologies on which some future system might be based. But as for any plans, anything that I could describe as a follow-on system plan, the answer is "No," in that we would expect the B-2 to serve in that primary role for 25 to 30 years. That has been characteristic of bombers.

The ATF, as I mentioned in my opening comments, the ATF will be our first new air superiority fighter in 25 years. With the growth potential built into that airplane, we would certainly expect that to serve as the primary air superiority fighter for an extended period beyond its introduction, which is at the end of this decade.

In the case of the C-17, the airplane is designed for 60,000 hours, so the aircraft will serve for a very long period of time. So I think it would be premature at this point in time to be actually defining the nature of the follow-on system to those aircraft.

We all know that there will be one, but it is several decades from now.

Senator STEVENS. Well, I was looking at the other side of that coin. Each one of these systems will replace a system that is now in place and functioning, and if Congress were to determine to keep the existing system in place and skip a generation, would you have a follow-on generation to come on, and with new R&D if it was necessary, at the beginning of the next century?

C-17

General WELCH. Let me talk about each of those three systems. If we were to skip the C-17, for example, then you'd simply have to start developing a new C-17 very quickly because of the lifespan of the C-141, even if you pay a considerable sum to extend the life of the C-141.

So that you would lose the investment in R&D to this point in time and you would very simply in a very short period of time have to start development on a new system. There is not something on the drawing board at this time. So I suppose that the only rationale for that would be if there is something about the C-17 we do not like, we want to start developing a new airplane like a C-17. Of course, there is not anything about the C-17 we do not like in terms of its performance, so it is the right airplane.

TRANSPORTING HEAVY DIVISIONS

Senator STEVENS. Well, it was designed to take outsized and oversized equipment that cannot be transported in existing aircraft, basically designed to move heavy divisions, as I understand it, in times of emergency. If you look at the situation now, particularly in view of the new information we have from the CIA about the warning time for any kind of a massive attack coming out of the Soviet Union, is that mission still valid, that we have to have something that can move heavy divisions by air in a short period of time?

Or could we redefine that mission in view of this new information?

Secretary **Rice**. Senator Stevens, let me take one crack at that and I know General Welch may want to comment on it, too. We have to remember that the way we were going to get heavy divisions to Europe was to put the really heavy equipment over there to start with in prepositioned form and fly the troops and the lighter stuff over to marry up with the heavy equipment that was already going to be in Europe.

That was the main deployment that we were looking at. There was some follow-on deployment, of course, that would take some heavy gear over, too.

REACTION TIME

The quantities of truly heavy forces that can be moved exclusively by air, in fact, are really quite small. Let me try to size the problem for you in a little different way. I think the issue is not warning time; it is reaction time. Let us take the Panama case. Arguably, we had 6 months' warning time or some quite lengthy period there. The reaction time, however, was 48 hours when the President gave the go.

LIGHT FORCES DEPLOYMENT

We used, for that very limited deployment, 25 percent of our organic airlift capacity in that roughly 30-hour period in which we made the deployment of the forces down there. We deployed very light forces and we deployed them under circumstances in which most of the equipment, and in fact about half of the forces, were already in country because they had been predeployed.

If we would have tried to make that same—to carry out the same Panama campaign with the same forces that were used, but would have had to move them all from the United States, it would have taken three-quarters of our airlift capacity and they would have had to make two cycles. Each airplane would have had to go down, deliver, come back, pick up a new load, go down, deliver again inside that 30-hour window that I am using as the basis for the measurement here.

Those were very light forces. If you make those forces a little heavier, even air assault units for example, never mind armored units, if you deploy some air forces in addition to some ground forces, or if you want to talk about a substantially longer distance, say to Southwest Asia rather than to Panama, any of those changes would drive the capability required to deploy that quantity of forces well beyond the capacity in the organic airlift fleet.

Senator **Stevens**. Well, are you making the point that if we do bring back some of our forward deployed forces, that the C–17 has an added mission?

Secretary **Rice**. That is really what I was getting to. I think in a world of fewer forward deployed forces the ability to make rapid deployment, to respond quickly, is going to be something we will place a high premium on, and we will see the airlift as more of a national asset and a more credible national asset than we have in the past.

Senator **Stevens**. Well, I do not want to prolong this, but it does seem to me that those of us on this committee are going to have to have a firm understanding of the interrelationship of whether it is even just purely scientific research or research and development of new systems to see whether it is possible.

That is really what Senator Rudman was saying, in effect, as I understood it: Why not hold onto the B-52's and put the B-2 on the back burner, is what he was saying. At least that is what I heard.

Under those circumstances, the same question would have to be applied to the other systems: Do we really need an ATF now? Do we really need the small ICBM and the rail mobile? Do we need them both? Do we need one? Do we need any, in view of the developments that we perceive are happening in the Soviet Union?

If those developments prove to be illusory, how soon would it take to get these systems back on track if they are put on the back burner?

Those are questions I hope that Secretary Cheney's report is going to address and that you gentlemen will assist him in addressing, because we have a lot of back-burner people on this committee this year instead of front burner. We know it, and we have to make some judgment calls as to what we recommend.

TESTING OF ALCM AND B-1

I have just one other question. Do you perceive that we have any incompatibility with the concept of the testing of the ALCM and the B-1? I know Senator Rudman mentioned that before, but are we now facing a question as to whether, if we directed you to proceed with some testing, General Welch, in this fiscal year of the ALCM or the B-1, is there some problem?

I am told that there is some problem with regard to that testing. Is that correct?

General **Welch**. I think there are three questions. One, of course, we have tested the ALCM. The direction was to test the advanced cruise missile on the B-1, and there are two difficulties with that.

Senator **Stevens**. When I said "ALCM," I meant air-launched cruise missile.

General **Welch**. Yes, sir; there are two difficulties we have with that. One is priority for testing. We have no plans to carry the cruise missile on the B-1 any time in the near future. As you know, the START Treaty will limit us to numbers of cruise missiles that can be carried on a B-52H, which means we need the B-1 as a penetrating bomber for several years to come, not as a cruise missile carrier.

We have other competing testing priorities on the B-1 which we would have to set aside in order to do further ALCM testing on the B-1.

The second is the cost, which is very significant.

Third, we are going to have a bit of a challenge with the Soviets simply because there are two B-1's that have been tested with ALCM's.

Senator **Stevens**. Are you telling me that the problem is not equipment, but the problem is compatibility with our position in START?

General WELCH. The problem is that for the new cruise missile there will be a considerable investment in the testing.

Secretary RICE. Senator Stevens, the committee fenced $50 million for this purpose and the total costs are somewhere, we estimate, in the range of $140 million or higher, $140 million to $170 million or $180 million, to do the job. It just does not show up as a high-priority matter to justify those funds at this point.

B-1 AS PENETRATING BOMBER

I believe that is the position that the Secretary of Defense has taken, as well as the Air Force recommendation.

Senator STEVENS. Do you perceive the B-1 has a role as a penetrating bomber in the future, and if so for how long?

General WELCH. The B-1 will have a role as a penetrating bomber for a significant number of targets for a long time to come. Its ability to perform as a penetrating bomber against the most significant targets in the highest threat area will begin to deteriorate after the midnineties, and by the end of the century it is most likely to be relegated just to the lower threat areas east of the Urals.

But it will still perform as a penetrating bomber against a set of targets probably for most of this decade.

Secretary RICE. The leadtime for putting a cruise missile on the B-1, should it be decided at some later time to do that, is on the order of a couple to 2½ years. So testing can readily be carried out a leadtime away when and if it becomes appropriate to transition the B-1 to a cruise missile carrier, at some more distant time. We would certainly see that time as being beyond the year 2000.

Senator STEVENS. My time is up. I will yield to my colleagues.

Senator INOUYE. Senator Kasten, would you yield for a few minutes to Senator Specter?

Senator KASTEN. Sure.

Senator SPECTER. Thank you very much, Mr. Chairman, and thank you, Senator Kasten. I shall not take more than 30 seconds.

I want to join my colleagues in welcoming Secretary Rice and General Welch to this hearing. I have not been able to attend much of this hearing because the Judiciary Committee is meeting with the Attorney General, and there is always a matter of conflicts. I want to thank the Secretary for a very cordial breakfast recently and some very, very in-depth discussions on matters of importance.

What I would like to do, Mr. Chairman, is to submit some questions for the record.

Senator INOUYE. Without objection, so ordered.

Senator SPECTER. I thank the Chairman. I thank Senator Kasten.

Senator INOUYE. Senator Kasten.

B-2 AIRCRAFT

Senator KASTEN. Mr. Secretary, welcome and congratulations for the fine job that you are doing. I would like to start, if I could, with where you kind of ended up with Senator Stevens with regard to the B-2.

My understanding is that a review has been finished and there are a number of elements with regard to what decisions you all will be making, as far as I can tell. Element No. 1 is, do we still make 132 planes?

Element No. 2 is, over how long do we make those planes? And then, depending on that production rate, how much is each of those planes going to cost?

Now, within that decision did you tell Senator Stevens that upon finishing the review you have decided to still make 132 planes, or is it going to be a level less than that?

Secretary RICE. Well, first of all, Senator Kasten, let me say I did not intend to tell Senator Stevens that, and it is not my decision to make. It is the Secretary of Defense's decision to make, and we will have recommendations in that process.

I think you are quite right to point out that there are at least two variables which have to be dealt with in settling the future of the B-2 program. One is the rate at which it is appropriate to invest in that program. The program as currently laid out would call for the Congress to have to approve around $10 billion in 1 year for that program, and that is certainly recognized as a very high amount and so we are certainly examining in the review alternative profiles that would modulate the rate of investment in the program.

We think there are some alternative profiles that can do that with a very modest effect on total cost of the program, and those will be among the options the Secretary will be considering.

The review is also examining the possibility of buys below the full buy of 132 aircraft.

Senator KASTEN. Well, that is what I want to be specific about, because it seems to me—we have been reading that the cost of this plane can be anywhere from $530 million to $1.5 billion, depending on adding in maintenance and hangars, which I am going to ask about later.

PRODUCTION LEVEL

But what is the optimum production level? Is that what you are hoping to get to, or 20 or 25 a year?

General WELCH. Well, we certainly have not resolved that number yet. It is part of what the Secretary is examining in the review.

I believe that the aircraft can be produced efficiently at numbers even below that level, but that is part of what has got to be done.

Senator KASTEN. In your opinion, what would be the optimum number that we should be making each year from the Air Force's point of view and from the point of view of somehow getting a handle on the costs with regard to Northrup?

Secretary RICE. Well, we have been examining profiles that would build up the production rate more slowly and that would top out at levels that are—I have to content myself at this point, to guard the Secretary's options, at saying—below the peak production levels that are laid out in the existing program.

As I say, we believe that that can be done with a very modest effect on the full cost of the program, particularly if we make those changes a leadtime ahead. The production line is not built up anywhere close to the full levels of effort that are associated with the projected production rates, so we think that certainly they can manage an efficient production line with buildups from the current level, but not built up so far as the current program, as it is projected to get to.

Those are among the options that the Secretary is considering in the review. Now, when you talk about the costs, all the costs that we have talked about on this program are presented in acquisition cost totals, RDT&E, and procurement, just the way we talk about other programs.

Some of the numbers you see thrown around involve people taking operating costs, frankly, most of the time misestimating, overestimating the operating costs, adding up many years of that operating cost, and throwing it into the total.

Well, you can do that kind of thing for any weapons system we have and get very different numbers. I do know one way you can get a very high unit cost for the B-2, and that is the proposals that have been introduced in both houses to stop the program and complete only those aircraft that have been funded through fiscal year 1990 would end up spending on the order of $33 or $34 billion to produce 15 aircraft.

You can do that arithmetic as well as I, and it comes out about $2.25 billion apiece at that level. The ones after that cost an awful lot less.

Senator KASTEN. Well, that is why I am asking the questions. You are not being very forthcoming in terms of giving specifics to my question, and what you are trying to do evidently is to protect the Secretary's options.

But what I am trying to get at, Don, is the problem if we end up by making them kind of in a halfway way. You are going to be criticized. I support the weapons system. You are going to be criticized, we are going to be criticized, if by managing this we either drag it out so that we are never at efficient rates or we take too long to get at the efficient rate.

What is the peak——

Secretary RICE. Senator, we are very sensitive to that.

Senator KASTEN. You referred to, you said we will be at less than the peak rate. Is that around 25? I do not even know.

Secretary RICE. I believe the current profile takes it up to 29 per year.

Senator KASTEN. Is it 29? And what you just told me is that you have the beginnings of a recommendation or a revised program that will be less than that, but you believe that you can be at less than that economically.

Secretary RICE. Yes.

Senator KASTEN. Could you explain that or be more specific?

NUMBER OF AIRCRAFT

Secretary RICE. Well, I cannot put numbers on it for you at this point, except to say that it would be several billion dollars a year less than the peak funding level that is laid out in the current program now, and that it would inevitably therefore get up to a lower production rate, on the order of two-thirds of what had, two-thirds or, perhaps, three-quarters of what had been the projected peak rate.

We believe that that is still such a substantial buildup from where the production line is today that that amount of buildup can be managed in a way that the aircraft at that level, still much higher than today but lower than was laid out before, can be a quite efficient production line, and that the overall effect on the program, even if we were to proceed to all 132, would be a very modest increase in the total cost of the program.

R&D COSTS

Senator KASTEN. Now, the other part of this is that we have to make a certain number of the airplanes in order to cover the research and development costs. I am told that that was around 70 airplanes or something in that neighborhood. Is that right?

And as you take the number down from 132, which you said that it might be somewhat less than that, what do we do in terms of absorbing or having the contractor absorb the research and development costs which they have already gone forward with?

Secretary RICE. Of course, the Government has paid for most of that research and development cost already. I am assuming that in any program in which we would go forward the remainder of the RDT&E would be funded. If that were not the case, we would not end up with any operational aircraft. So we have to complete the RDT&E, which includes completing the test program, in order to have any number of operational aircraft.

So I am assuming that in each of these cases. Now, I think what you are referring to is that there are investments in plant and equipment the contractor has made, which have to be amortized over the ongoing work——

Senator KASTEN. You are correct; I misspoke. You are right.

Secretary RICE [continuing]. Both the RDT&E and the procurement. And we are certainly taking that factor into account as we examine these possible alternative profiles. And we understand that where there are capital investments that have already been made and are already partially depreciated, that the remainder of that depreciation will be charged to the program one way or another at whatever quantity we end up pursuing.

We are certainly taking that into account in examining these alternative profiles for the Secretary's consideration.

SPECIAL HANGAR

Senator KASTEN. Let me just ask one final question. I have probably used up my time. But the contractor, Northrup, says from what I can understand, and what I have read that the planes can be safely stored outside, that there is no requirement for a special hangar.

The Air Force evidently is leaning toward—I do not know if you are officially requesting, but anyway leaning toward—a billion and a half or so dollars for special hangars, according to information I have seen.

First of all, do you agree with the contractor that the plane is safe outside and that the hangar is not necessary in order for the plane to operate? And then the second part of that question is, if that is the case, why are you asking for special hangars?

Secretary **Rice**. Senator Kasten, the numbers that I have seen give are nowhere near the total cost that you have mentioned. I have seen a total of around $540 million for the entire 132 aircraft fleet.

The point to hangar the aircraft, which are not air conditioned, do not have all the gussy features that I have seen some accusations allege here—they would plan to be able to heat the inside environment to at least 40 degrees, just simply in order to get out of the freezing temperatures in those cases where it is necessary to work with the special materials.

The aircraft can operate without these hangars. The hangars are a maintenance efficiency issue as I understand it. I think General Welch may want to say more about this. We project that at least one-half of the cost of the hangars will be recovered in direct reductions in the operating costs of the system over time.

If you are deployed into a very cold climate, for example, you increase the efficiency of maintenance considerably if the workers can work indoors instead of outdoors. So those are the kind of considerations that are involved here, in addition to the need to get to 40 °F for those occasions where work has to be done with the special materials.

Can the aircraft be parked outside and operate effectively? Sure they can.

The costs of what we are talking about, what is in the plans now is substantially below the numbers you cited, and we are continuing to reexamine that plan and assure ourselves that it is the best one from an operating efficiency point of view, and that is what the issue is.

If we had it to do over again, we would build similar hangars for B-52's, particularly in the northern tier.

Senator **Kasten**. I am not objecting about the hangars. I am just objecting to the question that is being raised that evidently the hangars are a requirement for the B-2. What you have said is that the hangars would be the same requirement for any other airplane we have got and there is not anything that is peculiar or special that demands hangars with the B-2, if I understand your answer to my question; is that what you said?

Secretary **Rice**. As I understand it—let me ask General Welch's comment on this, too—as long as those cases where work has to be done with some of the special materials involved, which does not have to be on every aircraft every day obviously, as long as those can be accommodated in some situation where we can get the temperature above 40 °F, I think your comment is correct.

General **Welch**. Let me just add a point, that all airplanes require hangars for certain kinds of work, including United Airlines. Typically it is 30 to 40 percent. This aircraft does not require any more hangars than any other aircraft.

It does require some hangars to do some kinds of work, just as any other airplane does. But the efficiencies that you get from providing a hangar working environment for a large airplane, where you typically spend a lot of time 30 or 40 feet above a concrete ramp in freezing cold and blowing wind, et cetera, it just makes economic sense.

Senator **Kasten**. But it is not B-2 specific? That is the question.

General **Welch**. That is correct. There are certain procedures on the B-2 that require certain climatic conditions in a hangar, but that is just for a few hangars. You have similar kinds of requirements, although not exactly the same, on any other airplane.

You do not see United Airlines, by the way, maintaining their airplanes out in the snow and the ice.

Senator **Kasten**. I am not asking you to do that, either. I am trying to get this link between the one airplane and the hangar requirement.

I am really trying to help you guys with this weapon system, but today you are being kind of hard to help. Maybe when this review is completed and we can work out some of these numbers, then you can be a little bit more forthcoming. But I think these kinds of questions are the questions that we are going to be wrestling with in this committee and, depending upon what happens, in the Budget Committee as well.

Thank you, Mr. Chairman.

Secretary **Rice**. Senator Kasten, if I could just add one comment. We certainly are not trying to be unhelpful. We are in the situation where I think we have to protect the Secretary's options in the reviews.

All these factors that you have talked about are ones where we certainly recognize. Once we have the Secretary's decision we have to deal with each of these aspects of the program in the follow-on discussions and communications with the Congress and the public, for that matter, about these programs.

So we certainly will stand ready to do all of that as soon as that time comes.

Senator **Kasten**. Thank you, Mr. Chairman.

Senator **Inouye**. I will call a recess for 10 minutes. We will be right back, sir.

[A brief recess was taken.]

MAJOR AIRCRAFT REVISIONS

Senator **Inouye**. Senator Stevens I believe referred to the April issue of the Armed Forces Journal, in which there is a big article about 30 B-2's and C-17 is on its way and ATF's to undergo major revisions. Does this suggest or mean that there is at the present time a major reassessment of the question how much deterrence is necessary?

Secretary **Rice**. Mr. Chairman, I would certainly agree the major aircraft review that the Secretary has asked for is examining the fundamental basis or requirement for these systems, and in that sense is inevitably examining the question of how large a force could be judged to be adequate in deterrence terms. That is one of the factors that is being taken account of in the major aircraft review.

That then has to be laid alongside of affordability considerations, and it will be—I would project that the Secretary will be making his judgment on a combination of considerations having to do with the requirements for deterrence and the requirements for the military capabilities that are embodied in these various systems and issues of affordability, given our latest projections of declining defense budgets in real terms.

NEED VERSUS AFFORDABILITY

A balance will have to be struck between those factors of need on the one hand and affordability on the other hand as he arrives at his final judgments on what to propose on each of those systems.

I would urge you, however, to wait for the outcome of these reviews and not to put too much credence in that particular news account that you referred to.

Senator INOUYE. When can we anticipate receiving this report?

Secretary RICE. The Secretary has committed, Mr. Chairman, that he would provide the results of the review to the committees before markup this year. The schedule now has us this coming Thursday spending a number of hours with the Secretary giving him a readout of the results of the review.

Assuming that that turns out to be adequate time for him to have gone once through the set of the four reviews and the background materials, then we will have to see what additional questions he has or whether he wants other excursions examined that the reviews have not already incorporated, and whatever decision time he needs for his consultations with the President and the processes by which he will arrive at his own decisions.

So I do not know that I can give you an exact date, but it certainly I think is reasonable to expect it is a matter of a few weeks.

Senator INOUYE. So we will receive that in time for consideration, before markup time?

VIOLENCE IN THIRD WORLD COUNTRIES

Secretary RICE. Yes, sir; I understand that to be the Secretary's commitment to the four committees.

Senator INOUYE. The recent events in Eastern Europe have added a new dimension of concern—I would not say new, but an increased dimension of concern—among members here, and that is the potential violence among Third World countries. With the events, we will be, I suppose, providing more arms to our friends and allies.

The Egyptians have already received 700 M-60 tanks, scheduled to receive another 300 more. With the CFE Treaty and such, we will have available excess equipment and supplies. The Soviets will have the same and I would presume the Soviets will be taking care of their friends.

Added to this you have many countries now part of the nuclear family, countries that are not known to abide by treaties. Chemical weapons have been used. We know that biological weapons are in arsenals now. We are well aware that there are many countries not among the superpowers who have the capability of launching nuclear attacks.

With this, what role does the Air Force have? Any new role? Up until now the key word has been "deterrence" and on the other side has been the Soviet Union.

CHANGING SCENARIO

Secretary **Rice**. Mr. Chairman, you are quite right that the focus has been on deterring the Soviet Union in the past, and I think you have just done an eloquent job of describing the conditions of potential instability and uncertainty that will exist in this future world for which we are planning.

If we can assume a continuation of the favorable trends in the Soviet Union and in Eastern Europe, and if we assume, as the Secretary has instructed us to in our internal planning, the completion of a START agreement and perhaps even follow-on negotiations for further reductions of strategic nuclear arms, the completion of a conventional forces agreement, and perhaps even follow-on negotiations for yet greater reductions there, then we would be moving into a world—and this is incorporated into our forward thinking and future planning—we would be moving into a world in which the risk of global war against the Soviets would be significantly reduced from that which we have had to plan against in the past.

That then to my way of thinking takes us into an intellectually more difficult setting in which to understand and plan the basis for the requirements for military forces. We have had—I am speaking of conventional forces now in particular. We have had the luxury, if you will, of being able to focus so much of our planning against that one major scenario.

While we always had to make special allowances and arrangements and adjustments around the edges, we were able to treat most other cases, most other circumstances, as lesser included cases within this, within the capabilities that we had to have to deal with the risk of a major war in Europe that would in turn most likely spread to a global war against the Soviets.

MULTIPOLAR WORLD

Now we are dealing with a multipolar world. If we think about what that term means, it means to me at least that we will not be able to anticipate so well ahead of time what might be the source of the instability or the threat to the interests of the free world that might in turn lead to conditions in which we would feel we needed to deploy military forces.

That means we are going to place a premium on forces that can react quickly when that is necessary, can be flexible in the sense that they can be used in a multiplicity of scenarios depending on what arises, and can reach across long distances when it is necessary to get to where the action has to be, from perhaps reduced forward basing, perhaps even from Conus basing.

Those are the kind of capabilities that we think much of the Air Force is especially well adapted to plan for. So we are looking forward to circumstances in which we will place the emphasis in the Air Force on those kinds of qualities.

The heavy bomber has a role to play in that, too. We have come into a new age. There is no turning back. The battlefield of the future has changed, even if only to reflect the proliferation of the very kind of systems you were alluding to, that are already being made available by the Soviet Union around the world and may become more available as they draw down their own forces, the kind of defensive systems, for example, that our aircraft would have to contend with.

CHANGING NEEDS

So I think we are going to—the age of Stealth is upon us. We are going to need it in our systems. We are going to need a high-payload, long-range stealthy aircraft, just as we are going to need shorter legged aircraft and air superiority aircraft that have Stealth characteristics.

We expect to place greater emphasis, relatively speaking, on airlift and tankers, because those are the key to a global reach and a quick deployment capability, both of Air Force and Army assets, and, in fact, in the case of tankers for Navy assets as well.

We will need the surveillance capabilities, space systems and airborne surveillance and reconnaissance capabilities, to make sure that we can keep track of what is going on in the world and be prepared to react when required and as appropriate.

We see that set of characteristics as being the main ingredients around which we will build the conventional capabilities of a future Air Force. It has to contend with those capabilities along with those of the other services, hopefully designed in a complementary way—those capabilities have to contend with this rather uncertain and much more different world that you are, I think quite correctly, predicting for the future.

NUCLEAR THREAT

Senator INOUYE. If the harsh rhetoric of recent days coming from the Middle East is to be taken seriously, then the potential for violence is obviously great. Recently a former Director of the National Security Council made a statement that if two Middle East countries had a nuclear exchange it should not concern the United States too much because it is not on American soil, and he felt that most Americans would not be too worried.

Should we be concerned?

Secretary RICE. Mr. Chairman, I certainly think we should be. We ought to be in my view, and I believe we are, concerned about arresting, to the extent we possibly can, the spread of nuclear weapons around the world. We ought to consider it strategically very much in our interests and the interests of the entire free world and the entire developed world, for that matter, and indeed the entire world, to avoid the deployment of nuclear weapons by any power at any level.

That has been the basis, of course, for our deterrence strategy all these years, directed, as you pointed out, against the principal power that has had aims inimical to ours who has been armed with nuclear weapons.

Senator **Inouye**. Because of time limitations, though I have many questions to ask, I will have to submit questions. First, General Welch, you spoke in response to my question on rail garrison and the Midgetman. Could you give us a detailed memo on that, taking into consideration not just cost, but the vulnerability to detection and attack, response time, taking all those factors? Because we will have to discuss this at this level one of these days.

[The information follows:]

RAIL GARRISON AND SMALL ICBM

SMALL ICBM

The total Small ICBM program cost for the Presidentially directed program is $41.9B (TY $). This cost is broken down as follows (TY $B):

RDT&E	7.147
Procurement	31.279
MILCON	3.428
Total	41.854

The President's program directs a fiscal year 1997 First Assets Delivered/initial operational capability (FAD/IOC) with a fiscal year 1992 basing full-scale development (FSD) restart for the Small ICBM in a hard mobile launcher (HML). The basing location, number of reentry vehicles (RV), and force size are awaiting further Presidential guidance. The cost profile above reflects a 500 single-RV missile force deployed on Minuteman launch facilities and keeps open options for Southwest basing and a two-RV configuration. The Small ICBM does not require strategic warning indicators to assure a safe escape. It is designed to survive with tactical warning only. Because of the HML's blend of mobility and hardness, the Small ICBM can dash upon national need, generating large location uncertainty and making a barrage attack futile.

PEACEKEEPER RAIL GARRISON

Peacekeeper Rail Garrison uses mobility to increase survivability. The system is designed to complement the existing silo-based ICBM force and other legs of the Triad by presenting the Soviet attack planner with a variety of systems possessing different operating characteristics. This creates a range of attack problems for the Soviets, and thus increases deterrence.

The total program cost of redeploying the existing Peacekeeper missiles from their silos onto 25 trains based at seven garrisons is $7.1B (TY $), broken down as follows (TY $B):

RDT&E	2.472
Procurement	4.017
MILCON	.639
Total	7.128

The fiscal year 1991 budget request supports a December 1992 FAD. It continues the developmental testing, provides construction funds for garrisons at Barksdale AFB, Grand Forks AFB, and Fairchild AFB, and supports the production decision for the first seven trains.

Peacekeeper Rail Garrison increases the survivability of our land-based ICBM systems by allowing the United States to rapidly disperse the missiles out of garrison to other locations—essentially out of harm's way. In addition, if required, the missiles can be launched immediately from garrison without leaving the missile train shelter. Missile launch is not dependent on dispersal time.

Dispersing Peacekeeper Rail Garrison during a crisis would be highly stabilizing, not destabilizing. It would increase the difficulty of launching a surprise attack against the United States, and would therefore reduce the incentive for the Soviets to attempt a preemptive strike. Dispersal is a defensive measure that would be taken in response to Soviet provocation, in the same manner that bombers and submarines are currently dispersed. Peacekeeper Rail Garrison dispersal would not increase the United States offensive threat to the Soviets because the number of warheads does not change. Most significantly, dispersed warheads are more stabilizing because they are far more difficult to find and hold at risk.

Rail Garrison has the capability of responding to a "no-notice" attack through its ability to launch missiles directly from the garrison. However, this "bolt-out-of-the-blue" attack is a highly unlikely scenario. Such an attack would leave most of the Soviets' critical assets exposed and vulnerable. In the past 10 years, $60.0B has been spent to secure advanced warning technology for US decision-makers. This investment provides high confidence of strategic and tactical warning of an impending attack.

The physical security measures provided for Rail Garrison are thorough and extensive. The likelihood of railroad sabotage is low because such sabotage would provide clear and unambiguous indications of pending Soviet hostilities. This would enable the United States to increase the readiness of all Triad forces—something that is counter-productive to the original aim of the sabotage. Additionally, destroying railroad track does not inhibit the effectiveness of the operational missiles themselves, since they can be fired from within the garrison.

Dispersal to the rail network will not affect the promptness of the Peacekeeper missile. Even in the dispersed mode, the system will be able to stop, stabilize, and launch within a short period of time. The Peacekeeper missile, which was originally designed to be deployed in a horizontal and mobile basing mode, will also maintain its current accuracy. Extensive mobility and simulated launch testing indicate that the deployed missile will meet or exceed all accuracy requirements.

The redeployment of our existing Peacekeeper assets to Rail Garrison is a direct response to the increased Soviet threat and hard-target-kill capability. The decision to rebase Peacekeeper missiles from Minuteman silos is independent of arms controls negotiations and is not merely mimicking the types of forces that the Soviet Union deploys. There is a definite need for increased survivability of our strategic forces, and Rail Garrison meets this need by providing additional survivability to our existing assets through mobility.

Senator INOUYE. I would also like to submit to you several questions relating to the statement of managers of the fiscal year 1990 conference, in which we directed that the fiscal year 1989 funds, 50 million dollars' worth, be used to provide advanced cruise missile capability to the B–1B, and there will be a whole series of questions on that. I would like to have your response to that. I think it would serve to clear up the air, because as you can see Senator Stevens is a bit concerned, and I can tell you that many of the members of this committee are equally concerned.

I would also like to submit a question on the concurrency of the B–2.

Several members have indicated they would like to submit questions on the SDI, although we have not asked any questions on the SDI today.

On the C–17 also, I would like to know, for example, why some of the delays. I believe at the present time you are behind schedule about 10 months; is that correct?

General WELCH. That is about right; yes, sir.

Senator INOUYE. I would like to know where are we going on the tactical fighters. You have given us an overview of the F–15's and the F–14's in the Navy. We will be having a few questions in greater detail.

So you can see that we have a whole lot of questions that we would like to submit to you, and I can assure you that we will study all of your responses very carefully.

A few months ago, I suggested that there were a lot of endangered species, and there are, especially in your shop. We will be called upon to make decisions, and I am hoping and praying that the decisions we make are the correct ones, because whatever we decide today obviously will have an impact on where we go 10 years from now. In order to make those correct decisions, we will need the closest of collaboration and discussions here.

So I ask you to submit to us in greatest detail. If it is going to be classified, please note that, sir.

Secretary RICE. We will, Mr. Chairman.

Senator INOUYE. I am most grateful to both of you for spending this time with us. I am sorry that we had these crazy voting schedules, but the leadership wants to get clean air out of the way.

ADDITIONAL COMMITTEE QUESTIONS

We will submit the balance of the questions for response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR INOUYE

Nuclear Deterrence

QUESTION: General Welch, under the expected START treaty, the US and the Soviet Union each will be able to retain between 6000 and 9000 warheads - depending on how bomber weapons are counted.

Are you and the senior civilian leadership of the Pentagon trying to redefine how much deterrence and nuclear war-fighting capability is enough?

ANSWER: We are constantly examining the deterrence equation and seeking to establish the proper nuclear war-fighting capability. Today we are seeing what appear to be revolutionary changes in the Soviet Union and Europe. As a result, we must continually assess the quality and quantity of threats in the new environment. We will then update the mix of US forces required to accomplish the targeting task and achieve the necessary damage levels. As we move into START, we will continue to insure that we maintain the appropriate nuclear war-fighting capability to provide high confidence deterrence.

QUESTION:

Do these new force levels give us the opportunity to reassess our nuclear targeting and damage expectancy requirements, and the balance among the various components of our strategic TRIAD?

ANSWER: One of our key responsibilities entails fielding the right kinds of forces in the correct numbers to permit our warfighting CINCs to accomplish national security objectives. As such, the Air Force, along with the Joint Chiefs of Staff, constantly assess the quality and quantity of the threat environment. In addition, we must determine the proper mix of US forces available to respond to an ever changing threat environment, particularly in terms of targeting and damage requirements. As START comes closer to reality, we will continue to evaluate carefully what evolutionary changes will occur for both the US and the Soviet Union concerning nuclear deterrence. Although the quantity of strategic forces will decrease as a result of START, the targeting requirements will change less dramatically. Therefore, strategic modernization programs are vital for the US to continue to successfully deter the Soviet Union.

QUESTION: Are you willing to undertake such a reassessment?

ANSWER: The JCS continually assesses nuclear targeting and damage expectancy requirements in response to potential force structure changes such as those that would result from arms reduction initiatives.

Law Report Language

QUESTION: Secretary Rice, the Fiscal 1990 Defense Appropriation Act states the Secretary of the Air Force shall obligate $50 million of fiscal 1989 funds to provide cruise missile capability on the B-1B aircraft.

The Air Force General Counsel has ruled that, if Congress does not pass statutory relief from the $50 million Advanced Cruise Missile fencing language, the Air Force must comply with the testing requirement or submit a formal rescission action to Congress.

Secretary Rice, do you agree with your General Counsel's ruling? Why didn't you ask DOD to submit a formal rescission on this matter.

ANSWER: I do agree with my General Counsel's advice that if the fence is not removed, we must either obligate the $50.0M for B-1B cruise missile testing or submit a formal rescission. I have asked OSD to seek Congressional action to remove the fence.

B-1B Program

QUESTION: The Subcommittee understands that the Air Force has a long-term contract with Boeing to maintain full hardware and software compatibility between the ALCM (air launched cruise missile) and the B-1B. Why can't a similar arrangement ensure continued B-1B ACM compatibility if the integration testing is completed now?

ANSWER: There is no long-term contract with Boeing to maintain software or hardware compatibility on any ALCM/ACM-capable aircraft. Oklahoma City Air Logistics Center (ALC) chairs and Boeing Aerospace is a member, under an Air Force engineering contract, of the Interface Working Group (IWG) that manages the Interface Control Document which controls the configuration between cruise missiles and bombers. This Interface Working Group monitors and documents changes to the aircraft and missiles, ensuring they remain compatible where required. If a software or hardware change is required due to a modification anticipated or performed on either the missile or the aircraft, the Air Force would most likely issue a contract to the manufacturer of the affected system. The funds used for this contract would come out of ALC's Engineering Support Contract account.

The IWG routinely maintains aircraft/cruise missile compatibility for the B-52/ALCM/ACM. Cruise missile compatibility for the B-1B is not maintained because no current operational requirement exists.

QUESTION: The Subcommittee understands that the Air Force has eliminated the requirement for the ACM contractor to ensure full compatibility between the missile and the B-1 bomber. Since this work will have to be done at some time--either now at Congress' insistence or on the Air Force's schedule--why was the requirement eliminated?

ANSWER: In the interest of completing ACM testing in the most cost effective manner, testing will commence when lead-time away from an operational requirement. A lapse between near-term testing and a downstream operational requirement would allow B-1B and ACM software (and possibly hardware) to diverge. This would necessitate redoing many of the tests previously performed, significantly increasing cost. Furthermore, the B-1B SPO conducted an indepth analysis of the cost to complete ACM testing at a later date which concluded that the Air Force could realize savings by accomplishing many of the tasks that are currently done by contractors.

QUESTION: The Subcommittee understands that the ACM Program Office estimated the cost of completing the B-1B ACM flight testing in 1989 would be $50.0 million--if this work was done along with testing the bomber's defensive systems and compatibility with the new Short Range Attack Missile. The Air Force now claims the cost will be about $130.0 million. How can a program which was almost completed cost so much to finish? Provide a detailed justification of the higher cost estimate, along with a detailed comparison by separate subproject or task for both the lower and higher estimates. Please explain in detail any differences and reasons for increases.

ANSWER: The assertion that the program was almost complete is not completely accurate. ACM testing was scheduled to take 10 months, from March through December 1989. The current estimate to complete ACM flight testing has increased to 12-13 months, primarily due to the inclusion of additional technical order (TO) certification, AMAC testing (part of nuclear certification), and electromagnetic interference (EMI) tasks not originally included. Similarly, a comparison of the previous ACM System Program Office (SPO) estimate of $47.6 million and the current B-1B SPO estimate of $142.0 million is inappropriate, since the taskings under these two programs differ greatly.

The ACM and B-1B SPOs issued a joint estimate for "Cost Sharing of the B-1B Flight Test Extension" in November 1988 which identified the additional cost necessary to include ACM testing in the on-going flight test program. The $47.6 million estimate, which presumably gave rise to the $50.0 million subsequently fenced by Congress, represented the ACM SPO's share of the increase and only included flight test support costs for the three main contractors.

The following detailed breakout of the two programs describes the basis for the cost estimates.

Flight Test Comparison
(TY$ in Millions)

	ACM SPO (Nov 88)	B-1B SPO (Dec 89)
Months Testing	10	14
A/C Used	#28	#28
Rockwell	30.6	42.1
Boeing	15.8	24.9
General Electric	1.2	4.6
General Dynamics	0.0	21.5
BMA-Wichita	0.0	2.4
AFFTC	0.0	19.8
OGC/ECO/MS	0.0	26.5
	47.6	141.8

AFFTC - Air Force Flight Test Center
OGC - Other Government Costs
ECO - Engineering Change Orders
MS - Mission Support

ACM SPO estimate does not include nuclear certification, other government costs, mission support, engineering change orders, AFFTC, or General Dynamics and Boeing Military Aircraft-Wichita costs.

QUESTION: Does the Air Force disagree with this interpretation?

ANSWER: US language in the draft START Treaty allows testing of heavy bombers at designated flight test centers and for the US to test cruise missiles on the B-1B at those flight test centers. A small number of heavy bombers at flight test centers would be exempted, i.e., not be counted against the central limits of the treaty, although they would be counted as test ALCM capable heavy bombers.

Soviet language in the draft START Treaty does not provide for such clear-cut exemption for B-1B cruise missile Test aircraft. [Deleted]

QUESTION: Does the Air Force have an alternative position from the Department of State?

ANSWER: To my knowledge, the Department of State supports the Air Force concerns that [Deleted]

Concurrent Acquisition of the B-2 Bomber #1

QUESTION: Secretary Rice, the General Accounting Office (GAO) recommends consideration of alternative acquisition strategies for the B-2 bomber due to concurrency between the research and development, and procurement, phases of the program. GAO claims that more than half of the B-2's acquisition cost will be appropriated and almost one-fourth of the bombers will be ordered, before critical testing is complete.

Do you consider the B-2 program's current profile to be excessively concurrent with full testing of the bomber's critical performance parameters?

ANSWER: No, I do not. Acquisition decisions, to include concurrency, are structured to produce the most capability at the lowest cost while factoring risk. The latest schedule adjustment reduced concurrency while carefully balancing concurrency risk against cost. Concurrency risk has also been addressed by the tremendous amount of testing already accomplished prior to its flight test program. Further delays would drive total program cost up as much as $4.2 billion for a one year slip in the program.

The B-2 has already undergone extensive testing. There are ten years of risk closure behind the program. The B-2 has employed more extensive computer-aided design and simulation testing than any aircraft development program in history. Thus far, it has gone through over 24,000 hours of wind tunnel testing, over 44,000 hours of avionics testing and evaluation (including the avionics test bed which has been flying since 1986), 6,000 hours of flight control test and evaluation, and a myriad of low observable model testing. This early risk reduction gives high confidence in program integrity and has been validated by early flight test results. Additionally, FSD aircraft (beginning with the very first vehicle) are manufactured using production processes not normally associated with the FSD phase, which significantly reduces production transition.

The B-2 has flown 12 test flights for a total of 55.6 hours with no significant problems. Early testing has confirmed the airframe design parameters. In the first 2 years we will have explored the flight envelope, 90 percent of the propulsion and 70 percent of the radar signature testing will be complete, and extensive testing will be done on other systems, flight loads, etc.

To date, 16 aircraft and approximately $26B have appropriated, including procurement and RDT&E. The B-1 program had funded 100 percent of the production aircraft with only 50 percent of the flight testing complete. The B-2 is scheduled to have only 20 percent of the production aircraft funded when approximately 70 percent of its flight testing is complete. There has been nothing in testing that would adversely affect the decision to build and field B-2, and nothing is expected. Rather than a detractor, the B-2 testing strategy should be considered one of the strengths of this aircraft acquisition program.

QUESTION: Do changes in the world environment, and in the threat of armed conflict with the Soviet Union, give the Air Force even further opportunity to reduce the degree of concurrency in the B-2 program?

ANSWER: Strategic acquisition programs are developed to provide weapon systems to counter an enemy's capabilities, not his political intent. Acquisition decisions, to include concurrency, are structured to produce the most capability at the lowest cost, based on risk. Slipping the B-2 schedule will inevitably increase procurement costs.

QUESTION: How does the Air Force respond to the other issues raised by the GAO--including possible B-2 cost increases in the future?

ANSWER: The B-2 program needs stability. The alternative plan which the GAO recommends would take stability out of the program by causing another change in the acquisition strategy. The Air Force is reviewing numerous cost savings. However, each time the program changes, it becomes more difficult to achieve the program savings which were predicated on a stable program. GAO recommendations for changing the acquisition strategy actually decrease potential savings and increase overall program cost.

B-1B Bomber Deficiencies

QUESTION: The Defense Director of Operational Test and Evaluation reported in February that the B-1B's predicted mission capable rate of 64.5 percent was significantly below the Strategic Air Command's requirement of 80 percent. Why does the B-1B fall so

far below the requirement in this essential category?

ANSWER: The Mission Capability (MC) rate for a weapons system is determined by multiple factors, many of which are variable. As weapons systems mature, hands-on experience is acquired, spares levels rise, system modifications increase reliability and maintainability, and MC rates correspondingly rise from the levels experienced during initial system fielding. In the case of the B-1B, the AFOTEC prediction of an MC rate of 64.5 percent during FY 90 was based solely upon early initial operational experience with the Dyess AFB, Texas, B-1B fleet. These first production B-1B aircraft were delivered without a majority of the state-of-the-art avionics systems installed and differed in other ways from the aircraft received by the later operational bases. The Strategic Air Command's (SAC) near term MC goal is 60 percent. The B-1B is projected to reach system maturity at 200,000 fleet flying hours in FY 93/94, and the system maturity goal of 75 percent is comparable to mature weapons systems such as the B-52.

The 80-percent rate referenced in the inquiry relates to the figure originally published in the 1982 B-1B Test and Evaluation Master Plan (TEMP). Subsequent SAC operational experience has shown the 80-percent figure to be unrealistic. To date, no other weapon system of this complexity has achieved that level of supportability.

QUESTION: The Director of Operational Test and Evaluation also reported that the mission reliability and availability of the B-1B did not meet the requirements of the Strategic Air Command. Among the deficiencies cited were numerous in-flight critical failures of the navigation, air conditioning, ice and rain protection, and autopilot systems.

How does the Air Force intend to fix these problems?

ANSWER: Fixes to alleviate problems with systems cited in the AFOTEC report have been developed and some have been implemented. Reliability and maintainability problems are worked through the Materiel Reporting System and Product Improvement Working Groups. As a result, systems are redesigned, modified and retrofitted, and changes in maintenance procedures may be implemented.

The primary reliability problem within the navigation system was premature failure of Offensive Radar System (ORS) Line Replaceable Units (LRU) due to overheating. The overheating was caused by lack of cooling air flow. Modifications which increase air flow have been made and these modifications have resulted in improved reliability.

The autopilot system includes several subsystems, one of which is the Structural Mode Control System (SMCS). The primary components of the SMCS are moveable vanes located near the nose of the aircraft. These vanes experienced premature bearings and shaft surface failures. A fix has been developed and implemented in the form of new shim material and new torquing procedures. Reliability has been improved to a satisfactory level. Although primarily focused on improving operational capability, the Stall Inhibit System II/Stability Enhancement Function (SISII/SEF) modification enhances reliability through hardware changes. This modification is near completion.

The major problem in the air conditioning system has been the Fuel Cooling Scoop Actuator. A Time Compliance Technical Order modification was developed and implemented, along with a new rigging procedure, which has improved component reliability.

The Engine Inlet Anti-icing System still does not meet Strategic Air Command operational or reliability/maintainability requirements. A new hardware configuration was developed, prototyped, and lab-tested by Rockwell International. Flight testing of this system was planned and budgeted for, but funding is not currently available because Congress fenced $50.0 million in System Program Office development funds to perform cruise missile testing.

QUESTION: DOD's independent operational testers concluded that the B-1B's Instrumented Landing System is operationally unacceptable for restricted visibility instrument approaches. Below 400 feet, the system exceeds safe and reasonable levels. How will the Air Force fix this safety problem?

ANSWER: This was a problem with the original Instrument Landing System (ILS) software. A fleet-wide modification was completed in November 1989, providing full ILS capability to the B-1B.

ICBM

QUESTION: General Welch, proponents of the Small Mobile ICBM say it is a better system than Rail Garrison/MX because it can survive a "bolt-out-of-the-blue" surprise attack. They claim it thus contributes more to nuclear stability - especially in a crisis - and is more cost effective per survivable warhead.

Are you willing to accept a lower level of survivability with Rail Garrison/MX than the Small ICBM?

ANSWER: Crisis and "bolt-out-of-the-blue" are mutually exclusive scenarios. Peacekeeper Rail Garrison and Small ICBM are complementary weapon systems designed to survive and operate in a nuclear environment. In the unlikely event of a "bolt-out-of the-blue" surprise attack, Small ICBM would be able to successfully operate with a high degree of confidence. Peacekeeper Rail Garrison is highly survivable when dispersed in a crisis, and is more affordable. In every realistic scenario, US intelligence indicators would enable dispersal of Peacekeeper Rail Garrison in enough time to ensure system survivability.

QUESTION: Why do you think its negative impact on nuclear stability is acceptable?

ANSWER: Since it is a mobile weapon system that can be dispersed when in the national interest to do so, Peacekeeper Rail Garrison will promote nuclear stability. Like the dispersal of bombers and sea-launched ballistic missile submarines, movement of mobile Peacekeepers would be a clear signal to our enemies that the US is willing to meet any threat by making its nuclear forces more survivable. Likewise, knowing the US can increase the survivability of Peacekeeper ICBMs through dispersal increases the deterrent value of the weapon system. Once dispersed, it is nearly impossible to accurately track and successfully attack it. Since the Peacekeeper Rail Garrison will ensure a deterrent posture can be maintained, nuclear stability is enhanced.

STEALTH MODIFIED F-16S

QUESTION: Secretary Rice, the pace and justification of the Advanced Tactical Fighter (ATF) were based principally on meeting the most severe scenario of a Soviet invasion of Central Europe. In view of the much diminished Soviet threat in this region, and of the high technological risk in the ATF program, how would the funding profile for the development program change in fiscal 1991 and fiscal 1992 if the Demonstration/Validation portion of the program were extended after planned down-select to one contractor team, to permit more flight tests and risk reduction technology development for an additional three months? Six months? One year? Please provide for program alternatives structured for each of these options, along with a detailed schedule and explanation of the additional activities to be undertaken in each option.

ANSWER: Extending Dem/Val past the currently planned down select date will do little to reduce program risk. Risk reduction efforts undertaken in the program include developing and flying prototype aircraft and testing avionics in ground and airborne avionics laboratories. The Air Force extended the Dem/Val program by six months to assure the contractors had sufficient time for risk reduction and data analysis. These efforts will be complete by the end of the current Dem/Val phase. Because the prototypes were designed for risk reduction and not for demonstrating the capability of the complete weapon system, by the end of the current Dem/Val phase, the Air Force will reach the point of diminishing returns for further risk reduction. The Air Force believes little value would be added by extending Dem/Val further.

ADVANCED TACTICAL FIGHTER

QUESTION: The Air Force chose to end F-15E procurement and concentrate on developing the ATF. Can the F-15E fight and survive in the late 1990s if it is called upon to undertake the missions projected for the ATF?

ANSWER: The F-15E's mission is deep interdiction, not long-range air superiority. The F-15E is the most survivable and most capable multi-role fighter in the world and will be throughout the 1990s and beyond. However, the F-15E has never been a candidate for the specialized role that the ATF will fill in carrying the fight for air superiority deep behind enemy lines. While the F-15E retains all the inherent air-to-air capability of the latest F-15C/D, neither of these aircraft can match the ATF in performing its dedicated mission of rapidly achieving and maintaining freedom of operations for all other tactical aircraft.

QUESTION: The Air Force claims it needs a $134 million reprogramming request approved to maintain the ATF development program. In a highly unusual manner, Secretary Rice sent a letter asking Congress to approve the request before it even is submitted formally.

The ATF reprogramming request has been delayed at the Office of Secretary of Defense level for many weeks. If this request is so important to the ATF program, why has this continuing delay occurred?

ANSWER: OSD delayed this request for several reasons. Although sources were identified several times, Congressional actions on other reprogrammings indicated these source lists would not be approved. An example is the action occurring with military personnel (MILPERS) reprogramming. The fact still remains that the ATF needs $134.4M in FY 90 to meet government obligations on the ATF Firm Fixed Price Dem/Val contract. OSD intends to send a coherent reprogramming effort to Congress as soon as possible.

TACTICAL FIGHTER ROADMAP

QUESTION: General Welch, in previous years the Air Force has compiled a roadmap for its tactical fighters, can you tell us whether one has been completed this year and how many fighter wings it includes?

ANSWER: This year the Air Force has developed a tactical fighter roadmap which reflects force reductions to the 31-wing level discussed by the Secretary of Defense.

QUESTION: How does this compare with the levels of 31 fighter wings discussed by the Secretary of Defense.

ANSWER: In previous years, the Air Force's Tactical Fighter Roadmap reflected growth of our fighter force to levels above the currently fielded 36 wings. Because of fiscal constraints, this year the Air Force has developed a tactical fighter roadmap which accommodates the 31-wing force discussed by the Secretary of Defense.

QUESTION: Secretary Rice, by standard Air Force calculations you need to purchase 180 aircraft per year to support a force structure of 36 tactical fighter wings. Why then are you requesting funds for 186 aircraft in fiscal year 1991?

ANSWER: When the FY 91 budget was submitted, the plan was for a force of 36 tactical fighter wings. To sustain a desired average age of eleven years for this size force required an aircraft purchase rate of 208 per year. However, because of budget considerations the FY 91 request was for 186 aircraft per year.

Since the FY 91 budget submission, the tactical fighter roadmap has been decreased to a 31-wing force. Using historical accident rates and assuming a 22-year useful life for fighters, we need to acquire approximately 180 fighters per year to sustain a desired average age within a 31-wing force. The budget still calls for 186 aircraft per year which will lower the average age of the force just slightly.

QUESTION: If, as Secretary Cheney has stated, the number of tactical fighter wings will decrease over the next three years by five fighter wings is it not correct that the level of fighters purchased in FY 1991 could be reduced by 36 and still support your requirements?

ANSWER: The Department of Defense is currently re-examining force structure requirements in light of changing world events. However, Conventional Forces Europe (CFE) negotiations are still underway and our review of total force structure requirements and modernization options continues. Until these efforts are complete, it would be premature to speculate what reductions in new fighter procurement might be considered prudent.

QUESTION: Secretary Rice, I understand the average age of Air Force fighters is only eight years old, nowhere near the end of a service life of twenty years. It makes sense that this average will decrease as we retire older aircraft to eliminate five fighter wings. Could we reduce purchase of fighter aircraft to 120 aircraft for five years and still have sufficient numbers of modern F-15s and F-16 aircraft to support a 31-wing force?

ANSWER: Comparing average age and service life can be misleading. Instead of the term service life, we prefer to use the term useful life which incorporates performance against the threat as well as structural life, maintainability, and so forth. For a force whose useful life is 20 years, and assuming stable acquisition sufficient to maintain a constant average age, the fleet's average age would be 10 years. Some aircraft would be 20 years old and ready to retire, while some would be new, but the average of all the aircraft ages would be 10 years. In fact, the average age of Air Force fighters today is just about 10 years.

Average age increases if the procurement rate is not sufficient to replace those aircraft which are scheduled to be retired and those lost in accidents each year. Based on historical accident rates and assuming a 22-year useful life for our newest fighters, we would need to acquire approximately 180 fighters per year to maintain a stable average age in a 31-wing force.

Since we do not project procurement of 180 aircraft per year past 1991, the average age of our fleet will increase. Retirement of older aircraft will compensate somewhat for this increase in age, but once the force reductions are completed, the average age will again begin to increase if our procurement remains below 180 per year.

Reducing our total procurement to 120 per year will obviously increase average age for a 31-wing force. The effects of aging can be partially overcome by continuing our planned modifications and upgrades to the current fighter force.

Question: Which specific wings will be eliminated to reach the 31 wing structure.

Answer: The analysis of which specific units and aircraft are to be eliminated to reach a 31 tactical fighter wing equivalent force structure is ongoing. Every effort is being made to ensure that the resultant force is as flexible and responsive as possible. Units from European, Pacific, and CONUS bases are being considered, including the 354 Tactical Fighter Wing, Myrtle Beach AFB, SC, which was previously announced.

AMRAAM

QUESTION: General Welch, the Air Force has halted all acceptance of production AMRAAM missiles from the two manufacturers, citing continued failures of the missiles in the captive carry flight testing program. Would you please inform the Committee of the current status of production acceptance. When do you expect the Air Force to begin acceptances again?

ANSWER: The Air Force suspension of AMRAAM acceptance is still in place. Contractor corrective action plans have been submitted and are currently under review for adequacy by the program office. At this time, we anticipate resumption of deliveries by the end of June. However, an exact date depends on the adequacy of contractor actions.

QUESTION: How many missiles have been refused, and what will be necessary to make them acceptable?

ANSWER: When the Air Force suspended deliveries of operational missiles on 8 February 1990, Raytheon expected to deliver 10 missiles in February, 15 in March, and 18 in April. Hughes anticipated delivering 19 missiles in February, 20 in March, and 20 in April. We anticipated that 58 of these missiles would be used for the operational forces and 44 missiles would be used for test purposes. The planned Raytheon missiles were Lot 1 missiles primarily for operational forces. The planned Hughes missiles were intended mainly to begin test programs (FOT&E Captive Carry Reliability Program, Navy OT&E, and Program Reliability Acceptance Testing) planned with Lot II missiles. Since the suspension, both Hughes and Raytheon have identified problems with vendor components (guidance section shell welds, safe and arm fuses, and electronic hybrids) which have limited the number of missiles completed since 8 February to 6 for Raytheon and 5 for Hughes. These missiles were required to conduct tests to evaluate fixes to the problems which led to suspension of missile acceptance. Therefore, all of the Raytheon and Hughes missiles have been accepted and turned over to the contractors for prolonged ground testing to identify additional failure modes or weaknesses which could impact reliability. The Air Force will begin accepting operational missiles when the corrective action plans by the contractors are considered to be adequate. We have left open the question of how much of the corrective action plan has to be actually implemented before missile acceptance resumes. That decision primarily depends on the quality of the plans and initial corrective actions.

QUESTION: On 11 December 1989, the Under Secretary of Defense for Acquisition signed an "Acquisition Decision Memorandum" on AMRAAM. It stated that prior to the full rate production decision, AMRAAM must successfully complete the Captive Carry Reliability Program on the F-15 aircraft. The Committee has been informed it is very unlikely that AMRAAM will obtain the required 200 hours average mean time between maintenance before the scheduled decision date. General, do you anticipate that the May 1990 decision date will be postponed?

ANSWER: The Defense Acquisition Board (DAB) reviewed the AMRAAM program on 11 April 1990 to assess the program status and formulate a recommendation on the pending Nunn-McCurdy Congressional certification. In his ensuing 13 April 1990 Acquisition Decision Memorandum, the Under Secretary of Defense for Acquisition (USD(A)) directed a formal corrective action and reliability improvement plan. The Conventional Systems Committee will review the plan and provide recommendations to the USD(A). After the review of this plan, a new DAB IIIB date will be considered.

QUESTION: The combined Air Force and Navy AMRAAM procurement request for FY 1991 is 1800 missiles...full rate production. Continued reliability problems could result in another year of low rate production. What is the appropriate number and cost of missiles for another year of low rate production?

ANSWER: We believe a minimum of 800-900 missiles would be required to maintain the dual production base. However, the Under Secretary of Defense for Acquisition has stated that the current reliability problems must be resolved before he authorizes full go ahead for Lot IV (FY 90). If missile quantities are reduced to 900 in FY 91, the Air Force cost for 625 missiles would be $610M and the Navy cost for 275 missiles would be $304M (cost without spares). These costs occur because reducing the FY 91 Authorization to "low rate" would be insufficient to generate aggressive competition between Hughes and Raytheon and the subsystem contractors.

Air Force Personnel Reductions

Question: The Army is the service most impacted by the arms control limits expected in the Conventional Forces in Europe (CFE) Treaty. However, Air Force personnel in Central Europe could be reduced significantly. Major cutbacks are also likely due to budget constraints.

The Air Force had about 43,000 military personnel in Central Europe at the end of fiscal year 1989. What are the manpower reductions expected due to the CFE treaty?

Answer: The exact number of manpower reductions expected due to the CFE treaty will not be known until the CFE treaty is signed and we know exactly which weapon systems will be deleted or relocated. However, in FY 91 there is a unit undermanning of 19,400 spaces--16,600 of which were taken notionally in anticipation of successful CFE and START negotiations. Of course, it was not prudent to identify the specific force structure and basing reductions prior to completed negotiations. Nevertheless, the likelihood of approved treaties, combined with fiscal realities, prompted reducing the associated manpower from the budget. This manpower reduction, until tied to specific force and basing actions, will increase unit undermanning to a peak of 19,400 spaces in FY 91--the highest budget level in Air Force history.

Once the CFE and START treaties are signed and force structure is reduced, additional military end strength should not be cut from the budget until a proper balance between force structure and end strength is achieved. Cutting this end strength again would underman a further reduced force structure--exacerbating and extending what was to be an interim hollow force. This condition translates into fewer people at the unit level to operate and maintain today's expensive and highly capable weapons systems. Safety, training, and morale, to name a few, would suffer. Most importantly, the effective and efficient use of our sophisticated weapons systems suffers, which adversely impacts mission capability and combat effectiveness.

Question: What associated equipment also is expected to be withdrawn due to the Treaty?

Answer: The closure of complete air bases and the subsequent force reductions at other bases will result in the withdrawal of equipment items typically used to support the daily operations and infrastructure of an air force base. Equipment will be reallocated to solve current shortfalls and replace worn out equipment.

Question: The Army has been able to project its end strength and force structure reductions out through fiscal year 1994. Can the Air Force provide such information--whether it is driven by the CFE treaty or expected budget constraints.

Answer: As of the FY 91 President's Budget, the programmed Air Force military end strength for FY 94 is 518,900 spaces. This is an additional reduction of 11,100 below the military end strength of 530,000 spaces programmed for FY 91. These reductions (FY 90 through FY 94) were driven by CFE and START treaty expectations as well as budget constraints. CFE and START manpower positions were taken notionally in anticipation Of successful treaty negotiations. Of course, it was not prudent to identify the specific force structure and basing reductions prior to completed negotiations. However, the likelihood of approved treaties, combined with fiscal realities, prompted reducing the associated manpower from the budget.

Question: If required, could the Air Force accelerate into fiscal year 1991 any of the European personnel reductions associated with the arms control treaty? What would be the savings associated with such an acceleration?

Answer: In FY 91 there is a unit undermanning of 19,400 spaces--16,600 of which were taken notionally in anticipation of successful CFE and START negotiations. The savings associated with this acceleration are already reflected in the FY 91 President's Budget. Of course, it was not prudent to identify the specific force structure and basing reductions prior to completed negotiations. However, the likelihood of approved treaties, combined with fiscal realities, prompted reducing the associated manpower from the budget. This manpower reduction, until tied to specific force and basing actions, will increase unit undermanning to a peak of 19,400 spaces in FY 91--the highest budget level in Air Force history.

Question: The Army has begun to reduce equipment shipments in Europe in expectation of the cutbacks due to the arms control treaty. Has the Air Force?

Answer: At air bases identified for closure, facility projects not under construction have been put on hold and will be subsequently cancelled. Any government-furnished equipment that was to be installed as a part of a contract will not be shipped.

Question: What transportation costs savings are available in fiscal 1990 and fiscal 1991.

Answer: Some reductions have occurred but when reviewed in the overall context of restricted transportation funding, no savings can be quantified. It must further be noted that beginning in FY 91 these savings may be offset by the movement costs of the returning material. Our FY 91 budget does not include any increased costs anticipated due to CFE and START.

QUESTION: Are any additional savings available in fiscal year 1991 from the personnel and equipment cutbacks expected to be required by the CFE Treaty?

ANSWER: At this time, the treaty specifics are still under negotiation. Therefore, cost savings are not quantifiable. However, as an initial step, no MILCON is included in the Air Force's FY 91 program for those bases identified under the CFE proposal for closure.

C-17 Program Problems

QUESTION: What is the current status of first flight of the C-17: how far behind schedule is this date? Are more delays possible?

ANSWER: All activities are proceeding on time or ahead of schedule in support of a first flight date no later than June 1991. This date, previously scheduled for August 1990, was revised due to problems with the Mission Computer and Electronic Flight Control System development.

QUESTION: How far behind schedule is production of those C-17s already funded by Congress?

ANSWER: On the average, the delivery schedule for Lots I, II, and III is six months behind the schedule submitted in support of last year's budget.

QUESTION: What is being done now to resolve the development problems with the C-17's mission computer and electronic flight control system? Why will these corrections be more successful than past attempts?

ANSWER: The prime contractor changed subcontractors on the flight control system, and the new subcontractor is actually ahead of the revised schedule. The prime contractor has taken a stronger role in managing the mission computer subcontractor, again resulting in substantial progress. The prime contractor's more assertive management of the subcontractors as well as McDonnell Douglas' corporate commitment in support of Douglas Aircraft Company give credibility to the contractor's ability to make these corrections work.

QUESTION: How much of the specified range or payload has been lost due to weight growth of the C-17?

ANSWER: At the current projected operating weight empty, the aircraft can carry 167,006 pounds 2,336 nautical miles, which is 64 miles short of the specification requirement. However, the prime contractor has an aggressive weight management program that should yield sufficient weight savings to meet the maximum payload/range specification of 167,006 pounds/2,400 nautical miles.

ACM

QUESTION: General Welch, I note that the Air Force does not want to test the Advanced Cruise Missile (ACM) on the B-1B because it would be too costly at $140 million. I also note that the Air Force is prepared to spend $850 million to make the B-1 a penetrating bomber until 1996. And then you would put the ACM on the B-1. Which is the more costly option?

ANSWER: It may appear that testing the ACM on the B-1B is much cheaper than providing necessary electronic warfare equipment to make it a survivable penetrating bomber. In reality, these options are not mutually exclusive. Regardless of whether the B-1B is used as a penetrator or a cruise missile carrier, the in-work and planned electronic warfare improvements are needed.

A significant portion of the $850.0 million you mentioned is for the installation of a radar warning receiver in the B-1B, Strategic Air Command's number one priority for improving aircraft survivability. Unfortunately, due to ALQ-161 shortfalls, a radar warning receiver is needed to give B-1B aircrews sufficient situational awareness to provide the level of protection necessary for either cruise missile or penetrating bomber missions.

The remainder of the $850.0M will be used to complete development and installation of a significant electronic countermeasures capability against the highest priority threats the aircraft will encounter whether in a cruise missile carrier or penetrator role.

The desire to provide ACM capability, when needed and at the least cost, has led us to recommend a delay in testing. Normal aircraft software evolution and possible hardware modification could negate the results of early ACM testing and necessitate additional tests prior to fielding cruise missiles several years in the future. For example, the B-1B will receive upgraded computer memory and software during SRAM II integration. Testing ACMs now on the B-1B would not use this hardware or software; therefore, additional funds would be required to merge and re-test ACMs after this new hardware and software is installed. Beginning ACM testing lead-time away from a B-1B cruise missile requirement will avoid these additional tests and costs.

MOROCCAN AIRCRAFT

QUESTION: We understand the Moroccans have expressed an interest in 24 F-16A/B aircraft. Will we provide these aircraft? If so, from what Air Force inventory will they be drawn down? Europe?

ANSWER: Morocco expressed an interest in obtaining 36 F-16 aircraft. We have not received a formal request from Morocco for F-16s. If we do, we will make the determination of how best to support the request and from what source.

Concurrent Acquisition of the B-2 Bomber

QUESTION: Secretary Rice, the General Accounting Office (GAO) recommends consideration of alternative acquisition strategies for the B-2 bomber due to concurrency between the research and development, and procurement, phases of the program. GAO claims that more than half of the B-2's acquisition cost will be appropriated and almost one-fourth of the bombers will be ordered, before critical testing is complete.

Do you consider the B-2 program's current profile to be excessively concurrent with full testing of the bomber's critical performance parameters?

ANSWER: No, I do not. Acquisition decisions, to include concurrency, are structured to produce the most capability at the lowest cost while factoring risk. The latest schedule adjustment reduced concurrency while carefully balancing concurrency risk against cost. Concurrency risk has also been addressed by the tremendous amount of testing already accomplished prior to its flight test program. Further delays would drive total program cost up as much as $4.2 billion for a one year slip in the program.

The B-2 has already undergone extensive testing. There are ten years of risk closure behind the program. The B-2 has employed more extensive computer-aided design and simulation testing than any aircraft development program in history. Thus far, it has gone through over 24,000 hours of wind tunnel testing, over 44,000 hours of avionics testing and evaluation (including the avionics test bed which has been flying since 1986), 6,000 hours of flight control test and evaluation, and a myriad of low observable model testing. This early risk reduction gives high confidence in program integrity and has been validated by early flight test results. Additionally, FSD aircraft (beginning with the very first vehicle) are manufactured using production processes not normally associated with the FSD phase, which significantly reduces production transition.

The B-2 has flown 8 test flights for a total of 31.6 hours with no significant problems. Early testing has confirmed the airframe design parameters. In the first 2 years we will have explored the flight envelope, 90 percent of the propulsion and 70 percent of the radar signature testing will be complete, and extensive testing will be done on other systems, flight loads, etc.

To date, 16 aircraft and approximately $26B have appropriated, including procurement and RDT&E. The B-1 program had funded 100 percent of the production aircraft with only 50 percent of the flight testing complete. The B-2 is scheduled to have only 20 percent of the production aircraft funded when approximately 70 percent of its flight testing is complete. There has been nothing in testing that would adversely affect the decision to build and field B-2, and nothing is expected. Rather than a detractor, the B-2 testing strategy should be considered one of the strengths of this aircraft acquisition program.

QUESTION: Do changes in the world environment, and in the threat of armed conflict with the Soviet Union, give the Air Force even further opportunity to reduce the degree of concurrency in the B-2 program?
ANSWER: Strategic acquisition programs are developed to provide weapon systems to counter an enemy's capabilities, not his political intent. Acquisition decisions, to include concurrency, are structured to produce the most capability at the lowest cost, based on risk. Slipping the B-2 schedule will inevitably increase procurement costs.

QUESTION: If, as we have heard, production of the B-2 is limited to no more than 30 aircraft, what will the unit cost be for each?
ANSWER: The Air Force has not evaluated a B-2 program buy of only 30 aircraft. A unit cost figure for such a small program, given the significant development cost, the majority of which has already been invested, would not be an appropriate cost measure. An evaluation of a proposal to stop the B-2 program at 15 aircraft yields a unit acquisition cost of $2.36B per aircraft. This is a high price to pay for no significant increase in our combat capability.

Flying Hours

QUESTION: Secretary Rice, the Air Force has long insisted that its pilots need more flying hours to maintain proficiency in their skill areas, and to enhance the prospects for pilot retention. However, the training for bomber and tanker aircrews is enormously expensive -- between $2,500 and $3,000 per hour compared to approximately $350 per hour for smaller jets like the T-38. I'm told that some strategic air commanders would be willing to trade flight time in costly heavy aircraft, such as the B-2 bomber or KC-135 tanker, if they could increase flying hours in the smaller jets. Do you support the expansion of the Accelerated Copilot Enrichment (ACE) Program, using less expensive [aircraft], as a way to increase aircrew training?
ANSWER: Strategic Air Command is exploring alternatives to improve its combat crewmember training programs. One option is to expand pilot flying opportunities by using smaller aircraft (T-38 or similar aircraft) as airmanship trainers. Under this concept, SAC would trade a limited amount of their currently funded flying hour program to support an airmanship enhancement program. However, if SAC adopts this alternative, it would not impact TOA, sortie production capability, or maintenance manpower requirements in the Command's major weapon systems. Since airmanship enhancement alternatives are still under study by SAC, I will reserve judgement until the study is completed.

QUESTION: If reductions in force structure lead to reductions in pilot accessions, and possibly freeing up some T-38 jets now with the Air Training Command, would you support the transfer of these aircraft to the Strategic Air Command for use as low-cost training substitutes to bombers and tankers?

ANSWER: The Strategic Air Command is currently studying the feasibility of using smaller aircraft such as T-38s in support of a pilot airmanship enhancement program. If ATC has excess aircraft, they will be allocated based on Air Force needs. SAC's valid requirements will be considered.

QUESTION: Please provide the Committee with options, accompanied by a comprehensive cost breakdown, of how less expensive T-38s could be used instead of bombers and tankers for maintaining flying proficiency.

ANSWER: The Strategic Air Command is currently studying the feasibility of a pilot airmanship enhancement program. Preliminary cost analysis shows that the Operational and Maintenance (O&M) ratio of B-52 hours to T-38 hours is roughly six to one. The pilot airmanship enhancement program appears to have some merit and SAC will continue to study the options.

GAO Cites Major AF Auditing Deficiencies

Question: Why are the Air Force's financial management systems and internal controls apparently insufficient to provide adequate and reliable financial information for effective management of Air Force operations?

Answer: Despite some weaknesses in certain accounting systems, Congress and the public should know that the Air Force has basic policies, procedures, and systems in place to ensure funds are only obligated and expended at levels and for purposes directed by the Congress. Although the GAO identified some deficiencies in each of these areas concerning the Air Force, overall functional systems are adequate to ensure (1) that Air Force resources are accounted for and controlled, (2) funds appropriated to the Air Force are accounted for as authorized by the Congress, and (3) decisions are made using valid financial information. GAO's concern is that the data do not translate discretely as expense or asset data to form the basis of a financial statement comparable to private-sector practices. However, just because governmental practices are not directly comparable to private-sector practices, it does not mean that resources are not controlled, assets are not accounted for, or decisions are made using inadequate information. The concerns which GAO has are being addressed in a Defense Management Review initiative by the Department of Defense.

Question: Hasn't the Air Force spent hundreds of millions of dollars over the years on computers and specialized accounting systems to alleviate this problem?

Answer: The Air Force is continually reviewing financial and functional systems and making improvements. Prior to 1983, federal departments and agencies were required to submit their accounting system design specifications to the General Accounting Office (GAO) for approval in accordance with the Accounting and Budget Act of 1950. In 1982 Congress passed the Federal Managers' Financial Integrity Act (FMFIA) which, among other things, required federal government agencies beginning in FY 83 to report annually their inventory of accounting systems, identify which systems were substantially compliant with GAO accounting principles, standards, and related requirements, and provide planned corrective actions on any system listed that was not in compliance.

The Air Force's first report, FY 83, reported a total of 29 systems of which 23 had already been approved by the GAO (79 percent). Of the six remaining systems not in full compliance with GAO principles and standards, four systems were subsequently brought into compliance, one was transferred to another agency, and one, the General Accounting and Finance System, was partially approved (funds control, but not the general ledger). In our FY 89 FMFIA report the General Accounting and Finance System remained noncompliant and one more system was identified as having a material weakness as of the end of the year; however, it has now been corrected.

Today, because of changes in the way we group subsystems for reporting, a total of eleven systems are reported. Nine were reported compliant, one was reported with a weakness but has been corrected, and one remains non-compliant--the General Accounting and Finance System.

The deficiencies addressed by the GAO in this audit report are related to our non-compliant system, the General Accounting and Finance System. In our FY 83 FMFIA report we identified the lack of a transaction-based general ledger as its major deficiency. This deficiency would encompass the asset value issue in the GAO report, which includes government-furnished material and weapon system modification costs. However, at that time the Air Force was implementing a major base level computer hardware replacement program. Because of the Air Force-wide aspect of the program, a moratorium was placed on system changes or replacements to current systems. The accounting systems were only one of several functional areas that could not make changes. Therefore, we were unable to design and implement a transaction-based general ledger within our primary accounting system to fix the deficiencies identified and reported to Congress back in 1983. By 1987 the replacement project was completed and shortly thereafter we released a Request For Proposal to develop system requirements to replace our General Accounting and Finance System. The requirements called for the correction of the deficiencies noted in our FY 83 FMFIA report.

This project has now been folded into the Defense Management Review (DMR) which is assessing the DOD-wide systems development, consolidation, or transfer of functional responsibilities. Completion of the DMR initiative eventually should result in all deficiencies identified by the GAO in this report being corrected. The Office of the Secretary of Defense is leading and directing all aspects of the DMR.

Question: Why, in various public comments, have you objected to the conclusions in the GAO report when the Defense Department itself concurred, or partially concurred with all of the recommendations made by GAO?

Answer: Many of the issues identified in the GAO report are long-standing problems which Air Force management has been working to correct and has already been reporting to the Congress in its annual Federal

Managers' Financial Integrity Act report. Information which forms the basis for management decisions in the Air Force, DOD, and the Congress, includes but is not limited to, that derived from the Air Force's accounting systems or financial statements. All financial management systems are not integrated vertically into one massive accounting system. And, all financial management systems are not integrated with other Air Force information systems. Nevertheless, the total matrix of information provides the ability to support the requirements of the Air Force, DOD, and the Congress in preparation of programming, budgeting, costing, and financial operations.

The Air Force agreed to a cooperative effort with GAO to produce prototype financial statements as the lead Service within the DOD. The GAO selected the Air Force because of its reputation of the best in DOD. It needs to be recognized that these particular statements had never been either required or produced before and this was a learning experience and a test environment. As GAO points out, this was the largest audit they had ever performed. Through the audit, Air Force expected to receive identification of deficiencies they could use to strengthen their existing systems, but was surprised with the tone GAO used given this was initiated as a cooperative project.

While the GAO believes private-sector-type financial statements provide better visibility into the total financial position of businesses and corporations, such information may be of limited utility in the public sector. For example, the depreciated value of our bomber or fighter assets does not contribute to the decision-making process of when to replace them or with what kind of capability; and since the Air Force does not pay corporate taxes, measuring depreciation is less relevant to our financial condition. In addition, such statements would be inconsistent with the current manner in which Congress appropriates funds. The Air Force is not a profit-making institution and its value to the Nation is not measured by net worth.

Question: What is the Air Force doing to ensure that it has accurate cost data for its non-cash assets such as equipment, aircraft and missiles?

Answer: Accurate cost data are available for non-cash assets through functional systems specifically designed to account for and control these assets. Property accountable records are onhand to account for all equipment and investment items. The GAO conclusions are based on a set of financial statements without reference to the many other sources of cost information available to managers. For example, in preparing the financial statements, much of the weapon system cost information had to be obtained from sources that were not part of the financial accounting system. GAO conclusions inappropriately extrapolate weaknesses in financial statement preparation to management control weaknesses.

The Air Force identifies and controls the cost of major weapon system procurements from the beginning to the end of each acquisition. Many estimating methodologies are used in deriving major system cost estimates. The more mature the program, the less parametric modeling is used and the more actual historical data are used.

a. All major weapon system procurements (other than firm fixed price) have contractual requirements imposing the Cost Schedule Control System

Criteria (C/SCSC) cost reports, i.e., Cost Performance Report, Cost/Schedule Status Report, Contract Funds Status Report, and Contract Cost Data Report. The Defense Contract Audit Agency continually audits the contractor's accounting system inputs to the management control system (MCS) and the plant representative office monitors C/SCSC compliance of the MCS. Also, a complete picture of costs is provided in the Selected Acquisition Reports (SAR) furnished to Congress and updated annually. At each milestone, the Defense Acquisition Board reviews the Program Office Estimate and Independent Cost Estimate to assure all costs have been identified and program risks fully addressed.

b. The Aerospace Vehicle and Equipment Inventory, Status, and Utilization Reporting System (AVISURS) does not contain current costs nor are these in a consistent base year because it is an inventory system, not a financial accounting system. Thus, audit comments on the B-1B, B-52, F-15, and F-16 are inaccurate. The Air Force Accounting and Finance Center used AVISURS to show weapon system cost in the financial statements. This does not mean that the Air Force was unaware of the true cost of the systems; however, improvements can be made in getting more timely cost data recorded in the financial statements.

Value of Overseas Personal Property Assets

Question: Secretary Rice, my staff has been told that the Air Force is unable to provide either an inventory, or valuation, of the personal property assets slated for disposal in accordance with the Department's overseas base closures and realignments or a possible CFE agreement.

When will you be requesting that overseas base commanders complete their inventory of personal property assets for those installations slated for closure?

Answer: The disposition of assets is an integral part of the base closure plan. Reuse of assets varies depending upon the future use of bases (i.e. standby base, etc). Some assets will be redistributed within Europe to satisfy other shortfalls, some will be used to replace outdated and worn equipment and some may be returned to the United States. The review process has been initiated and will continue as the base closure structure evolves and becomes more defined.

Question: Has the Air Force been approached by any host government interested in obtaining personal property assets on bases to be closed or realigned?

Answer: Facilities will be made available to the host nations based upon the existing country-to-country agreements and NATO requirements for future use. The disposition of other assets will be made available to host nations only after they have been declared excess to Air Force requirements.

Question: Please provide the Committee with a preliminary estimate, by May 15, 1990, of the total value of the personal property which may be disposed of locally at each overseas Air Force base slated for closure or reduction. Include a rough breakdown of the type of asset, by property category, that is most likely to be disposed of locally and the aggregate value of the items in each category for each of these installations.

Answer: Facilities and associated equipment items will be turned over to the host country based upon existing country-to-country agreements and future NATO requirements. Property will not be disposed of unless there is no other valid Air Force requirement. The issue of property disposal is under study as part of the base closure process and has not been finalized.

Question: Does the availability of the property give DOD the opportunity to reduce its current and future plans for material?

Answer: The closure of Air Force installations in Europe, and redistribution of resulting assets, may provide some relief by satisfying existing shortfalls at other installations. This could result in a reduced requirement for some equipment items in the future. Details are not yet determined and will be identified as the closure process becomes finalized in the future.

New Air Force Retention Training System

Question: Secretary Rice, the Air Force has selected McDonnell Douglas Corporation, Beech Aircraft Corporation and Quintron Corporation to provide aircraft, training and flight simulators for the service's undergraduate Tanker-Transport Training System (TTTS) contract, worth about $1.5 billion.

How did you select a tanker/transport training aircraft, the Beechjet 400T, with an extra 4 passenger carrying capacity?

Answer: The Air Force desired and selected a small business jet for its TTTS aircraft based on the need to train tanker and transport pilots in an aircraft more closely representing the type of aircraft those pilots will eventually fly. While the typical, commercial interior layout of the Beechjet 400T would accommodate a number of passengers, the TTTS aircraft will be equipped with only a jump seat behind the normal crew positions. The remainder of the aircraft will normally be empty. The jump seat will be used by a second student pilot to allow more training per sortie.

QUESTION: Secretary Rice, the Air Force has selected McDonnell Douglas Corporation, Beech Aircraft Corporation and Quintron Corporation to provide aircraft, training and flight simulators for the service's undergraduate Tanker-Transport Training System (TTTS) contract, worth about $1.5 billion.

Will you assure this committee that these aircraft will not be used to ferry senior officers?

ANSWER: The TTTS aircraft will not be used as VIP transport aircraft. They will be used to train future tanker and transport pilots. Each flying training wing will have a limited number of seat kits that can be temporarily mounted in the fuselage to enable maintenance "rescue" missions. During these missions, a TTTS aircraft, stranded away from station for maintenance reasons, could have needed parts and maintenance personnel flown in to perform repairs, allowing it to return to its home station.

Question: How did the unit cost of the Beechjet 400T compare to its foreign and domestic competitors?

Answer: While the exact unit cost of competitor bids is source selection sensitive, the Beechjet 400T compared favorably to its domestic competitors in unit cost and projected life cycle costs. While no foreign aircraft companies responded to the TTTS solicitation, the Beechjet 400T is considerably less expensive than foreign business jets.

Wright-Patterson

QUESTION: Secretary Rice, Air Force reorganization and overall tightening of the military budget is slated to remove 2,095 jobs from Wright-Patterson by the end of 1995. Yet, last month, in an interview with the Dayton Daily News, you voiced support for a modernization of the base office facilities. The office space is to be obtained through a private sector lease arrangement which will provide the Aeronautical Systems Division at the base with 1 million square feet of new facilities, and another 600,000 square feet of renovations.

How can you justify the building of new administration facilities at a time when overall force structure at Wright-Patterson is to be drawn down?

ANSWER: The need for modern efficient facilities to develop the future weapons systems essential for the defense of the nation has been recognized for some time. Current Aeronautical Systems Division operations are conducted in old facilities spread out over the base. The proposed modernization and renovation project consolidates functions and improves our efficiency, from both a personnel and a facility standpoint. After the Air Force has completed a small area development plan for the Aeronautical Systems Division and associated economic and other analyses, then the project will be reviewed and prioritized with respect to other Air Force projects.

QUESTION: What will be the cost of these new facilities? Are funds for them included in the fiscal 1991 budget and the fiscal 1992-97 defense plan?

ANSWER: The current rough estimate for the proposed work is $220.0 million. The initial FY 92 military construction project is estimated to cost $20.0 million. Follow-on construction and renovation is expected to cost $200.0 million. No funds are included in the FY 91 budget. Funds are included in the FY 92-97 defense plan for the initial military construction project.

QUESTION: Please identify by project, amount, and funding source (RDT&E, Military Construction, or O&M funds), all the new facilities and renovations associated with this modernization of base office space.

ANSWER: Only the initial $20.0 million in proposed FY 92 Military Construction program has been specifically identified by project, amount, and funding source for this modernization. The Air Force is working to identify and prioritize the remaining projects and funding sources.

GAO: Inventory Systems Do Not Provide Accurate Financial Data

QUESTION: Secretary Rice, a recent GAO report concluded that Air Force inventory systems that are supposed to provide accountability and financial control over the $63.8 billion invested in spare parts and supplies do not provide accurate, reliable data supporting either the quantities or the value of these inventories. These inventories, I am told, are eight times the size of those reported by General Motors.

Why, after years of congressional hearings, Air Force Audit Agency reports and upgrades to its automated inventory systems is the GAO still able to claim that these Air Force systems, have not yet achieved a high degree of reliability?

ANSWER: The 1989 Air Force inventory of spare parts and supplies, is valued at $45 billion, and our inventory figures are accurate and reliable and provide sufficient information to manage resources at over 230 Air Force installations worldwide. The logistics community manages inventories and accounts for unit prices and logistics systems interface with financial systems to record inventory value. In managing this inventory, we must support both our peacetime operations and our wartime mission. In addition to significant peacetime stocks, we must maintain readily available supplies to support worldwide contingencies. Operation JUST CAUSE in Panama is a recent example of the need for this readiness. Consequently, our inventory requirements are significantly different from those of any commercial venture. A one-for-one comparison is not relevant.

QUESTION: What recent steps have you taken to reduce the size of the Air Force's excess and inapplicable inventory?

ANSWER: The Air Force recently participated in a Service-wide subgroup as part of the Defense Management Review to change DOD inventory retention policy. The new policy permits retention of only what is necessary for support instead of the longstanding policy to hold all items applicable to active weapon systems. The previous policy alone contributed to 40 percent of the Air Force's "inapplicable" or long supply inventory. Based on the impending policy change, we are in the process of removing disposal freeze codes on our older weapon systems which will cause some stock presently in retention categories to be reviewed for disposal.

Last year, we instituted a program called "Pacer Spark" during which a team from HQ AFLC visited all of the ALCs to assess warehouse conditions and set up mechanisms for communicating problems between the Materiel Management and Distribution directorates. Specialists at each of the five ALCs performed monthly warehouse reviews to identify outsize items that had been occupying large areas of space over a long period of time as possible candidates for disposal. As a result, almost $600.0M worth of items were disposed, which freed over 1.2 million cubic feet of storage space.

We also began reviews of the highest dollar items held in contingency retention to determine whether they were candidates for disposal. By doing this, we disposed of another $637.0M and freed 261,000 cubic feet of space. DOD is implementing a master plan for inventory reduction which will encompass a comprehensive evaluation of materiel requirements and inventory management processes. The objective will be to reduce both on-hand inventories and improve the front end process of acquiring inventory, by improving inventory management processes at all levels. Commensurate with that effort, HQ AFLC is implementing an Inventory Reduction Program, called "Pacer Trim", focused on reducing on-hand inventory and budget requirements. Their emphasis will be on purchase request reductions, contract modifications, and more stringent screening of buys, repair, and modifications.

QUESTION: Have you established a policy to value unserviceable items to reflect the estimated costs of repair?

ANSWER: The Air Force has not yet established a policy to value unserviceable items at repair cost. In accordance with DOD policy we report unserviceable items at the most recent acquisition value for serviceables. However, we have requested DOD evaluate the current policy since the lower pricing of unserviceable items would more accurately portray true inventory values.

Initiative To Restructure Air Force Logistics Command

QUESTION: Secretary, one of the initiatives proposed in the Defense Management Review (DMR) Report involves restructuring the Air Force Logistics Command (AFLC), with a claimed "savings" of $772.3 million over the FY 91-95 time-frame. The claimed "savings" are derived entirely from personnel reductions and improved automated data processing systems. However, AFLC will require additional funding to bring these systems on-line sooner to achieve the claimed "savings".

What automated data processing systems are being improved at AFLC, and what additional funding is necessary, to achieve these "savings?"

ANSWER: The Air Force Logistics Command's (AFLC) Logistics Management Systems (LMS) modernization is a long-range plan to modernize Air Force wholesale logistics processes. The LMS modernization program consists of nine major automated data processing (ADP) systems, all being developed incrementally. All nine programs have achieved initial operational capability (IOC), and four have achieved final operational capability (FOC). The Air Force Audit Agency (AFAA) has validated $1.7 billion in benefits for the LMS modernization program. Given the current personnel reductions and budgetary constraints, the only way AFLC can meet its weapon system support objectives and accomplish the manpower reductions and efficiencies identified in the Defense Management Review is through a fully funded automated data processing program.

The automated data processing systems being improved at AFLC include the Requirements Data Bank (RDB), the Local Area Network, the Initial Provisioning Management Information System (IPMIS), the Automatic Cartridge Tape Silos, and the Network Control Centers (NCCs).

These improvements, proposed in the Defense Management Review, are currently being reviewed and validated through the FY 92 Program Objective Memorandum process, along with any additional funding requirements.

QUESTION: What is the Air Force's plan and schedule for each system's "improvement?"

ANSWER: The Requirements Data Bank (RDB) "Recoverable Item" and "Repair Requirements" software modules originally scheduled for delivery in FY 94 will now be available in FY 92. However, the overall RDB full operational capability (FOC) date remains September 1994. These modules will improve strategic level logistics planning, readiness through accurate requirements forecasting, and reduce cost of manual item computation.

Initial Operational Capability (IOC) of the Initial Provisioning Management Information System (IPMIS) is scheduled for May 1993, FOC in July 1993. IPMIS will modernize AFLC's old provisioning system (D220) to reduce manual effort required to determine provisioning requirements.

Automatic Cartridge Tape Silos IOC is scheduled for July 1990, FOC in July 1996. It is one of the steps in striving towards an automated environment. Instead of data being stored on magnetic tapes and manually handled, they can be stored on cartridges and automatically dispensed and loaded, thereby saving manpower.

IOC for the Network Control Centers (NCCs) occurred in April 1990, FOC in September 1997. NCCs quickly track, identify, and correct computer and communications failures in the LMS on-line ADP environment. This will greatly increase productivity of LMS users.

The Local Area Network needs FY 91-95 funds to connect and maintain additional buildings and users thereby increasing the overall productivity of the AFLC workforce.

The ADP systems' improvements proposed in the Defense Management Review, and a fully funded Logistics Management Systems modernization program are the key to achieving personnel reductions and savings.

$550 MILLION COMPUTER SYSTEM NOT READY FOR DEPLOYMENT

QUESTION: Secretary Rice, I understand that the Air Force plans to begin deployment, this spring, of the $550 million Personnel Concept III computer system. Apparently, the system is designed to allow users at the unit command level automated access to an existing personnel system at Air Force bases. The GAO contends that the Air Force's central personnel records are already automated and there are more pressing needs and higher payoffs for other automated systems. What does the PC-III system do that is not already done by automated systems the Air Force uses?

ANSWER: PC-III does not replace or duplicate existing automated systems. It is a logical extension of the existing personnel system to improve efficiency and system availability. About 80 percent of the current process is manual. PC-III replaces the manual preparation of forms, their quality control, and the subsequent retyping of data into the personnel system by direct customer access through terminals to the personnel system.

The primary objective of PC-III is to improve personnel support to commanders, supervisors, and individuals by providing real time access to personnel data. The second, but equally important goal, is to replace the paper and labor intensive processing of personnel data between units, staff agencies, and personnel offices with electronic transmission. This will significantly reduce manpower requirements in military personnel offices, providing significant manpower savings against Air Force end strength requirements. The cost-benefits analysis in the current PC-III System Decision Paper indicates an overall life cycle benefit exceeding $1.3 billion. As recommended by the General Accounting Office, a new manpower study will be accomplished as soon as the proper sample size of installations is installed and operational.

QUESTION: How do you measure the effectiveness of your automated systems? What are the performance standards you use? Have these standards changed over the last five years?

ANSWER: Each automated system, depending on its scope and magnitude is subjected to rigid criteria as defined in AFR 700-4. A program exceeding $100.0M is designated for formal Office of the Secretary of Defense (OSD) Major Automated Information Systems Review Council (MAISRC) review. Once designated a MAISRC program, the mandatory steps and reviews are established. These criteria include formal audits, tests and evaluations, and user certification. The results of the various tests are subjected to a stringent review process at the design activity, Automated Information Systems Acquisition Review Council (AISARC), and the MAISRC. The results of the tests and reviews are made a part of the permanent life cycle documentation. In the case of PC-III, all the milestones and tests to date have been met or exceeded.

The performance standards vary with the type of program being executed. In the case of PC-III, two types of standards are used. One set specifies hardware and software performance. The performance criteria are developed by the user and always derived from the Functional Description. The PC-III platform demonstrated met or exceeded all performance standards except one during the independent qualification operational test and evaluation (QOT&E) conducted from June through September 1989. That single application performance shortfall was a non-critical application and further study determined the problem to be with the central computer system at the Air Force Military Personnel Center, not PC-III. The second category of performance criteria deals with overall system efficiency. These performance objectives are evaluated through an extensive series of developmental and operational tests. In the case of PC-III, system effectiveness has been validated through a series of independent evaluations that validated projected savings as reasonable and obtainable.

Additionally, performance criteria for the hardware (minicomputers) were established by the Air Force Computer Acquisition Center as a requirement of the Small Multiuser Systems Computer Requirements Contract (SMSCRC) contract. PC-III personnel played a prominent role in the final acceptance testing of the contract hardware.

Performance objectives for PC-III have been refined through the testing and evaluation process, but have remained basically unchanged. For example, the pre-PC-III standard for providing HQ USAF stored data to a commander was 24 hours. That standard has been refined to 20 minutes in order to take full advantage of technology and provide improved service.

QUESTION: Please provide a comprehensive assessment of the payoffs you expect from the PC-III system as well as a measure of the effectiveness of PC-III against the automated systems or replace.

ANSWER: The cost-benefit analysis portrayed in the current system decision paper reflects a total benefit of $1,332.0M against a current life cycle cost projection of $527.0M. Of the $527.0M life cycle cost, $202.0M is procurement/investment cost with the remainder being operating and maintenance costs. In return for the investment of $202.0M, the Air Force will save $601.0M in manpower savings. In addition, there will be $723.0M in productivity savings resulting from reduced paperwork, improved methods, and efficiencies. These savings have been reviewed and validated through two and one-half years of successful testing and evaluation in a live operational environment. The total amount of the benefits outweighs cost by a factor of 2.53 to 1. The PC-III does not replace our existing system. It is a logical extension of the current system to provide commanders and supervisors required access to personnel information. The current system primarily supports personnel offices and is only indirectly accessible by commanders and supervisors. The two systems have little in common from a hardware, software or functionality perspective. Additionally, the Personnel Data System supports over 100 federal agencies, including the civilian forces of the Army and Navy, encompassing over two million government employees. The estimated annual savings to the government currently exceeds $200.0M. After PC-III is installed throughout the Air Force, we expect the software will be exported to other agencies--accruing additional savings. The savings reflected above are the current accepted savings; however, they will need to be revalidated after a new manpower study has been done.

QUESTION: Why does the Air Force plan to go forward with its plan to deploy the system at 125 bases while, according to a recent GAO report, it is seriously flawed and only partially developed and tested?

ANSWER: Data for the informal GAO review were compiled principally before the formal GAO review of September/October 1989 review. On November 30, 1989, the Air Force Automated Information Systems Acquisition Review Council (AISARC) reviewed the entire program and the GAO concerns and concluded the program was on schedule, within cost, and meeting performance objectives. It recommended PC-III be installed at up to 14 bases to further demonstrate the program's ability to meet functional goals. More recently, in February 1990, OSD completed a comprehensive independent Staff Review of the program to assess the validity of the GAO's findings. The OSD team concluded that the 1200 processes which have been completed to-date can be deployed with low technical and operational risks. The development strategy from the beginning was to field the functional processes incrementally in sequence to reduce overall risk. The critical requirements were those necessary to achieve the manpower savings. The current functionality far exceeds this requirement to make the program cost effective. The PC-III platform has been aggressively tested and improved through two and one-half years of progressive development and operational testing in a live environment. The Qualification Operational Test and Evaluation (QOT&E) validated the baseline system and functionality. The remaining 200 processes are on hold for policy reasons or have been specifically designated as follow- on upgrades. These follow-on processes are very low risk and are not essential to achieving the system paybacks. Subsequent upgrades to functionality will be fully tested and certified prior to release. Based on both the AISARC and OSD review, the program will meet a Major Automated Information Systems Review Council (MAISRC) Milestone III review on June 6, 1990, at which time a GO/NO-GO decision will be made. Based on successful testing to date, and the OSD review, the Air Force anticipates OSD approval to deploy the system.

QUESTION: Have you ordered a halt to the deployment of the Personnel Concept III computer system until its full deployment and testing is complete? If not, why not?

ANSWER: The PC-III deployment decision is reserved for OSD as prescribed by the Major Automated Information System Review Council (MAISRC) review process. The Milestone III review, which will render the GO/NOGO deployment decision is scheduled for June 6, 1990. The Milestone III will entail a comprehensive total program review, including the GAO and Congressional concerns. Once again, the deployment strategy does not require the full functionality to be available on day one. The scope and adequacy of testing and certification is a normal part of the MAISRC review process.

QUESTION: What additional cost will the taxpayer incur--above the already high price tag of $550.0M, before the system is fully operational?

ANSWER: The projected costs for PC-III have actually been reduced. The latest cost projections reflected in the current System Decision Paper (SDP) reflects the life cycle costs to be $527.0M, down from $552.0M. We do not anticipate any escalation in the projected life cycle costs. However, the savings from PC-III represent over $7.0M per month over the life cycle. Because of the congressional action to withhold FY 90 procurement funds, program completion will be delayed up to 6 months. Any further delays in deploying a system that has proven its cost effectiveness through operational testing will result in delays in achieving significant cost and operational savings.

In conclusion, we have invested nearly $50.0M to date in the development and testing of PC-III. The required operational capability for initial deployment has been fully developed and tested. PC-III has met all milestones and performance goals on schedule. It is projected to cost less than originally forecast and provides significant dollar savings and mission effectiveness increases. We expect the remaining formal program reviews to fully endorse the program as ready for deployment.

QUESTIONS SUBMITTED BY SENATOR BYRD

STRATEGIC BOMBERS

QUESTION: The U.S. strategic bomber would deliver about half of the warheads that would be used in a nuclear war. Our present fleet of 97 B-1B bombers, costing some $27 billion through FY 1990, is said by the Air Force to have the capability of penetrating Soviet air space to deliver its nuclear weapons. The Air Force says that the need for a penetrating strategic bomber will be filled even more adequately by the B-2, or Advanced Technology ("Stealth") bomber. Recently, the estimated cost of procuring 132 B-2's has risen from $70.2 billion to more than $75 billion, or about $570 million per aircraft. During the FY 1990 defense budget debate, both Houses of Congress made it clear that the B-2's future is by no means certain. The Air Force was directed to study the effects of procuring various numbers of aircraft fewer than the B-2 program's projected number of 132 bombers. Legislation has been introduced this year in both the Senate and the House that would end production funding for the B-2. The vastly changed state of affairs in Eastern Europe and the Soviet Union has presumably resulted in a redefinition of our nuclear war targeting plans. Some argue that with fewer targets to cover, we will not need as many nuclear warhead delivery systems. Please describe the circumstances in which you would see less need for strategic bombers. Under what conditions would you feel comfortable with fewer than 132, or as few as 15, B-2s?

ANSWER: The "vastly changed state of affairs in the Soviet Union" you spoke of by no means characterizes Soviet strategic forces. The Soviet Union continues to modernize its strategic arsenal; the Blackjack bomber, road mobile SS-25, and rail mobile SS-24 are just a few examples. It is also estimated that the Soviets continue to invest about as heavily in strategic defense as they do in strategic offense, and their announced reductions in the defense budget have not significantly altered the pace of modernization of either the strategic offensive or defensive forces. Continued modernization of Soviet defenses will adversely impact our bomber penetration capability in the coming years. For nuclear deterrence to continue we must maintain sufficient forces to deter our potential adversaries. Today's decisions will shape our strategic forces for the next 30 years, and we need to respond to realistic projected Soviet capabilities, not intentions and rhetoric. Strategic modernization should continue to be a top priority.

C-130 Aircraft

QUESTION: Does the Air Force's fleet of 194 C-130E aircraft, most of which are now 25 years old, require replacement?

ANSWER: The 25-year old C-130E has undergone several service life extension modifications, such as strengthening the center wing. Currently the C-130E is programmed to remain in the inventory past the year 2000.

QUESTION: I am advised that the new C-130J aircraft can be operated with greatly reduced life cycle costs, when compared with the C-130E. For example, the 2-person crew envisioned for the C-130J and other factors will allow manpower reduction of nearly 45 percent for equivalent airlift capability. Is the C-130J aircraft being considered as a replacement aircraft in order to modernize and update the Air Force's old fleet of C-130 aircraft?

ANSWER: Lockheed proposes a three-person crew (pilot, co-pilot, and loadmaster) and maintainability enhancements resulting in reduced life cycle costs. The Air Force is reviewing this proposal.

QUESTION: Where is the C-130J on your priority list?

ANSWER: The Air Force is currently developing its FY 1992-1997 POM and is in the process of prioritizing the C-130J in relationship to all Air Force programs.

QUESTIONS SUBMITTED BY SENATOR BUMPERS

BASE CLOSING

QUESTION: What B-52 force reductions are assumed in your base closing analysis? What part of the cost savings are due to the reduced operations of the B-52 per se, and what part from the base closing?

ANSWER: The Air Force plans to retire 19 and 16 B-52G ALCM aircraft in FY 90 and FY 91, respectively. Retiring these 35 aircraft prompted the Air Force to examine base closure options to preserve efficient operation of SAC's force structure. The Air Force is now examining additional B-52G ALCM retirements in the FY 92-97 time frame which may result in further candidates for base closing. Savings associated with base closures and force structure reductions are currently being addressed in the FY 92-97 Air Force Program Objective Memorandum (POM). These savings will be releasable with the announcement of the FY 92 President's Budget.

QUESTION: What are the time-phased year-by-year costs and benefits associated with closing Eaker AFB?

ANSWER: While some analysis has been performed on the costs and benefits of closing Eaker AFB, Arkansas, this analysis was predecisional in nature. The Air Force will perform detailed evaluations as required by Title 10, Section 2687 U.S.C. throughout 1990. These studies will analyze the budgetary, fiscal, and local economic consequences as they relate to the closure of Eaker AFB. If a decision is made to close Eaker AFB, the 2687 studies will be provided to Congress in the FY 92 President's Budget and will include costs and savings associated with the closure.

QUESTION: Did you use discounted cash flow analysis in looking at the costs and benefits from base closing as the Carlucci Commission did, and as OMB Circular A-76 and DOD Instruction 7041.3 specify?

ANSWER: When the 2687 studies are submitted to Congress with the FY 92 President's Budget in January 1991, the projected cost/savings cash flow analysis will be presented both in then-year dollars and in net present value.

QUESTION: How much of the net cost savings is attributable to Eaker AFB?

ANSWER: When the 2687 studies are submitted to Congress with the FY 92 President's Budget in January 1991, the projected cost/savings associated with the closure of Eaker AFB will be included. Initial analysis showed that closure of Eaker AFB could provide savings of approximately $250.0M from FY 91 through FY 97.

QUESTION: If you do not receive 132 B-2s, how would that affect your plans for B-52G retirement?

ANSWER: Any changes to the planned retirement of the B-52G force depend on a complex, interdependent set of factors and assumptions. These variables include operational requirements, Soviet capabilities, START Treaty compliance, fiscal constraints, and the airframe fatigue, life span, and operational viability of the B-52 force.

START

QUESTION: General Chain, Commander of the Strategic Air Command, told a House Committee that he might not be able to support the START treaty if Congress does not fund all 132 Stealth bombers. Do you agree with him?

ANSWER: I, along with the Joint Chiefs, will carefully examine the evolving situation to determine if we make further changes to Strategic Modernization.

ASAT

QUESTION: How dependent is the Air Force on its satellites for communication, reconnaissance, and other purposes? Are you worried by the Soviets' ASAT capability? How helpful will LIGHTSATS be in dealing with the Soviets ASAT threat? Are you concerned that they might develop a more sophisticated ASAT capability? Under what conditions might they do that?

ANSWER: More than 90 percent of DOD long haul communications are transmitted via satellite relay. Satellites provide critical information. Perhaps the most critical use of satellites is to provide the initial warning of a missile attack launched against the United States. Satellite systems also provide critical environmental monitoring data for military and civilian use, including the important task of watching hurricanes. Finally, as the NAVSTAR Global Positioning System becomes fully operational, satellites will provide a navigation capability that will be even more precise than that provided by ground based navigation aids.

The Soviet ASAT threat envelope extends out to about 5,000 miles. The missile early warning systems, communications and navigational satellites, and civilian weather satellites are beyond this range. However, other satellites are at risk.

It is possible that LIGHTSATS could provide some utility in dealing with the Soviet co-orbital ASAT. The Air Force is currently evaluating the application and feasibility of LIGHTSATS with respect to Air Force missions.

We are always concerned about increasing threats to national security. Concurrent with increasing reliance upon satellite based capabilities, concern increases over vulnerabilities of satellites to the current and projected threats. As stated above, we are concerned about threats to certain satellites from the Soviet's co-orbital ASAT. Development of a more sophisticated ASAT is certainly a possibility as the Soviet Union develops and/or acquires more sophisticated technology in the areas of impact weapons, directed energy weapons, and electronic warfare. Soviet political and economic conditions today would not necessarily constrain such a development.

AMRAAM MISSILE

QUESTION: Have you resumed taking delivery on the AMRAAM missile? How much will it cost? Why has the Air Force broken the cost cap on AMRAAM?

ANSWER: The Air Force suspension of AMRAAM acceptance is still in place. While the contractors may choose to submit claims, we believe the suspension of deliveries should add no cost to the program.

Program production cost has grown for several reasons: 1) higher than anticipated costs related to manufacturing problems; 2) a more severe than anticipated F-15 fuselage environment; 3) lower than anticipated competition savings in Lot III; 4) change in the Lot IV acquisition strategy; 5) delays in introducing cost reducing producibility initiatives due to the F-15 environment; 6) future projections along flatter learning curves with reduced competitive savings assumptions; and 7) lower production rates than expected in early years. Total base year production cost growth is 18.3 percent above the Acquisition Program Baseline and Selected Acquisition Report baseline; however, the latest DOD inflation indices push the cost growth to 28.3 percent (TY$), creating a Nunn-McCurdy breach.

A formal cost reduction program which includes both prime contractors is being led by the Deputy Program Director. Non-value added activities are being eliminated and cost reduction initiatives vigorously pursued. Heavy emphasis is being placed on value engineering initiatives at the prime contractor and subcontractors. During the next 60 days, a modified should cost technique will be applied to 10 common subcontractors jointly by the program office and both prime contractors. The cost reducing AMRAAM Producibility Enhancement Program (APREP) is being accelerated and all possible actions taken to ensure projects are incorporated as early as possible to maximize savings. Any impediments to full and open competition for the Lot V (FY91) production contracts are being examined and removed. The Lot V and subsequent source selections will focus on cost.

C-141

QUESTION: What is the fleetwide average accumulated flying hours figure for the C-141B? What is the average annual increase in this figure?

ANSWER: The fleetwide average accumulated flying hours is 31,000 hours per aircraft. The average annual increase is 1,000 hours per year per aircraft.

QUESTION: What is the expected lifetime of the aircraft in terms of flying hours? What are comparable figures for the C-5A/C-5B?

ANSWER: The expected lifetime of the C-141 in terms of flying hours is 35,000 hours. However, currently programmed repairs and modifications will extend the lifetime of the C-141 to 45,000 hours. The expected lifetime of the C-5A/C-5B aircraft is 30,000 hours.

QUESTIONS SUBMITTED BY SENATOR McCLURE

Contract to Renovate Housing at Kirtland AFB

QUESTION: Does the Air Force intend to comply with the congressional directive which stated, "The conferees are disturbed by the Air Force's failure to negotiate in good faith on the claims of the Shipco General, Inc., for damages resulting from the Air Force's termination for convenience of that company's contract to renovate housing at Kirtland Air Force Base. Therefore, the Committee directs that $29,000,000 of operation and maintenance funds made available to the Air Force for fiscal year 1990 shall not be obligated or expended until 30 days after the Secretary of the Air Force reports to the Senate and House Committees on Appropriations that a resolution has been reached in the case of Shipco General, Inc."?

ANSWER: The Air Force does not agree with the characterization that it has failed to negotiate in good faith on Shipco's claims for damages resulting from the contract termination. Shipco's original termination for convenience claim on the $3.5 million project was $35 million, later reduced to $14 million. Of this $14 million, approximately $12 million was for costs which are not allowed by the standard Termination for Convenience clause in the Shipco contract. The Air Force did settle and pay Shipco certain parts of the termination for convenience claim, including attorney's fees.

In a September 1989 decision, the Armed Services Board of Contract Appeals (ASBCA) upheld the Air Force position that the approximately $12 million of costs were not allowable. Shipco has appealed this ruling to the Court of Appeals for the Federal Circuit (CAFC).

After the September 1989 decision, the parties began negotiations by correspondence. The two issues left open for negotiation by the ASBCA decision were (1) the amount of profit on the work Shipco actually performed and (2) the excess surety costs paid to Shipco for which the Air Force is seeking repayment. The Air Force sent a proposal to Shipco in December 1989 which (1) stated the Government's position that Shipco did not make a profit on the work it performed and (2) abandoned the Government's claim for repayment (approximately $1 million) of the excess surety costs. Shipco rejected this proposal in January 1990 without making any type of substantive counteroffer.

In February 1990, Shipco offered to settle both the Kirtland AFB claim and another claim at Mountain Home AFB for $21 million. This particular offer stated that Shipco's damages at Kirtland were $31 million. Shipco's doubling of its claim (from $14 million to $31 million) led the contracting officer to advise Shipco that all correspondence should be directed to the Air Force trial attorney handling the case. Shipco has not contacted the Air Force trial attorney in response to the contracting officer's letter.

In addition to settling a portion of the termination for convenience claim, the Air Force has settled other Shipco claims in the past. For example, Shipco had presented 21 claims for extra work of which only 11 were found to have merit by the ASBCA. The Air Force and Shipco reached a settlement agreement as to the amount of these 11 claims. Moreover, the Air Force and Shipco reached a settlement agreement concerning attorney's fees for these 11 claims.

Against this background of good faith negotiation by the Air Force, the Air Force is hopeful that within the remaining six months of the fiscal year a settlement can be made on that part of the case remanded to the parties by the ASBCA. The Air Force presently intends to follow the language in the Conference Report and obligate and expend the $29 million after settlement (or return of the case to the ASBCA if there is no settlement) and notice.

[NOTE: Subsequent to the Secretary's April 3, 1990, testimony, the Senate Appropriations Committee reported a Dire Emergency Supplemental Appropriations Bill containing a provision which would have imposed a restriction on $29 million of O&M funds. This provision was nullified by an amendment by Senator Dixon. Thereafter, Congress passed and the President signed the FY 90 Dire Emergency Supplemental Appropriations Act, Pub. L. No. 101-302. Section 216 of the act authorizes and directs the Secretary to negotiate, compromise, and reach a determination with Shipco prior to the end of the fiscal year. Section 216 contains no restriction on $29 million (or any other amount) of O&M funds. It is the Air Force position that Section 216, not the earlier Conference Report, represents the intent of Congress with regard to $29 million of O&M funds. As a result of the Act, therefore, the Air Force will not restrict the obligation or expenditure of the $29 million.]

QUESTION: Why has the Air Force failed to negotiate a settlement with Shipco?

ANSWER: As explained in the previous answer, the Air Force is presently attempting to negotiate a settlement with Shipco as a result of the ASBCA decision. At present, there is only one matter remaining for negotiation--the amount of profit, if any, Shipco made on the work it performed. Shipco has yet to respond to the Air Force's position on this issue, but instead has doubled the amount of its claim from $14.0 million to $31.0 million. Despite this turn of events, we are hopeful that a settlement can be made regarding the profit issue.

QUESTION: Does the Air Force intend to negotiate a settlement prior to the end of the fiscal year?

ANSWER: The Air Force is presently attempting to negotiate a settlement with Shipco, and we are hopeful that a settlement can be made or the case returned to the ASBCA by the end of the fiscal year.

QUESTION: Has any of the $29 million been obligated or expended?

ANSWER: No.

QUESTION: Does the Air Force intend to obligate or expend any of the $29 million?

ANSWER: Until the issues remanded to the parties are resolved by settlement or by a return of the issues to the ASBCA should a settlement not be reached, the Air Force will not obligate or expend $29 million as set forth in the Conference committee report.

QUESTION: Since the Air Force has failed to even set a date for negotiation, am I to assume that you have no intention of negotiating a settlement?

ANSWER: The parties so far have been negotiating by correspondence. The Air Force has every intention of negotiating in good faith to reach a settlement in this case.

QUESTION: Does the Air Force intend to delay until this small contractor has lost everything and has no ability whatsoever to pursue their claim against the government?

ANSWER: The Air Force does not intend to delay negotiations. The ASBCA remanded the case to the parties to negotiate two items. In an effort to settle this case, the Air Force in its initial offer made a major concession by giving up its claim with regard to the excess surety costs. The Air Force is willing to negotiate the remaining issue concerning profit, but Shipco has not responded to the particulars of the Air Force offer. Instead, Shipco has reasserted damages which more than double its earlier claimed damages. These circumstances reveal no intention on the part of the Air Force to delay negotiations.

QUESTION: Is it a routine practice of the Air Force to ignore small contractors and wear them down until they go away?

ANSWER: The Air Force has no such practice and strongly rejects the implication in the question that the Air Force has employed such a practice with regard to Shipco.

STEALTH MODIFIED F-16S

QUESTION: Does the Air Force intend to answer the request of the Senate Judiciary Committee? If so, when can we expect the Air Force's comments on S. 559 and S. Res. 79 to be filed with the Judiciary Committee?

ANSWER: Yes. We will respond as soon as our position has cleared OMB.

QUESTIONS SUBMITTED BY SENATOR D'AMATO

Joint Surveillance Target Attack Radar Systems (JSTARS)

QUESTION: What changes, if any do you anticipate in requirements for JSTARS in a post-CFE environment?

ANSWER: The Air Force is reviewing all programs in the FY 92-97 program objective memorandum (POM) with respect to a post-CFE environment. The CINCs reviewed the Joint System Operations Requirement Document (JSORD) in October 1989 and did not reduce the existing requirement. No final decision has been made in the POM concerning JSTARS at this time.

Maverick

QUESTION: What, if any, advantages would be gained by remanufacturing older Mavericks into the latest IR configuration or an advanced configuration with millimeter wave seeker and extended range?

ANSWER: There are no significant advantages to remanufacture older (TV) Mavericks because labor hours would likely exceed the cost of new hardware.

IR seeker replacement was first addressed in the late 70's when the IR Maverick was approaching full-scale development. The decision to buy the all-up-round and maintain the Electro-optical Missiles was based primarily on cost and missile effectiveness. Approximately 80% of the missile cost was in the seeker/guidance and control section, making it uneconomical to make the replacement. In addition, the TV Missile was and still is a cost effective tank killer.

The MMW Maverick program is a demonstration-validation program under OSD Balanced Technology Initiative funding. To demonstrate/validate the technology, we plan to replace an IR seeker head with the MMW seeker head on an AGM-65 D or G missile and conduct live MMW Maverick firings in FY 91. If successful, the MMW Maverick seeker, coupled with improved range capability, may be considered to meet the TAF's advanced attack weapon requirement. Specific configurations have not yet been determined.

BRILLIANT PEBBLES

QUESTION: Assertions have been made that Brilliant Pebbles has enough embedded surveillance and tracking capability to eliminate the need for BSTS. Any comments?

ANSWER: The director of the SDIO has stated that BSTS is not essential for the Ballistic Missiles Defense mission. However, the Air Force requirement for BSTS to replace the Defense Support Program (DSP) as the nation's missile early warning system has not changed.

Brilliant Pebbles is projected to have substantial embedded surveillance capability, to meet some, but not all, of these early warning missions. For example, after Brilliant Pebbles is used to stop the first wave of a ballistic missile attack, its remaining surveillance capability may be so degraded that it cannot provide adequate warning for following waves. Brilliant Pebbles' substantially lower-altitude orbits reduce the ability to view the whole earth from a few satellites, reducing the response time available in the event of a direct attack on Brilliant Pebbles.

In addition, Brilliant Pebbles does not perform the corollary warning mission of detecting nuclear detonations. Finally, an ABM Treaty-compliant BSTS can enter full-scale development (FSD) now, whereas Brilliant Pebbles would require renegotiation or abrogation of the treaty. This could delay Brilliant Pebbles' deployment beyond the planned phase-out of DSP.

STEALTH MODIFIED F-16

QUESTION: The U.S. and the Dutch are reported to have modified F-16s in such a way as to significantly reduce the front quarter radar cross section of the aircraft. Could you comment on the gain in F-16 survivability and performance achieved by, and the cost of, this upgrade?

ANSWER: We cannot confirm, or deny, the accuracy of the news report.

QUESTION: How does this relate to the ATF?

ANSWER: The relationship of the F-16 to the ATF will be addressed in separate correspondence to the committee.

Rail Garrison MX

QUESTION: Can Rail Garrison MX launch under attack?

ANSWER: Peacekeeper missiles in Rail Garrison will be maintained under constant alert and will be launch capable, even when deployed in-garrison.

QUESTIONS SUBMITTED BY SENATOR SPECTER

LONG RANGE NUCLEAR WEAPON SYSTEMS

QUESTION: The U.S. currently has nine long-range nuclear weapon delivery systems in operation (2 penetrating bombers, 3 types of cruise missiles, 1 submarine ballistic missile, 3 land based ballistic missiles). In the fiscal year 1991 budget request, the Air Force has requested funds for two additional strategic weapon programs, i.e. the B-2 bomber and Midgetman missile, and for the rebasing of the MX missile to rail cars. How many different nuclear weapon delivery systems do we need to deter a Soviet attack and how is this determination made?

ANSWER: It is not just the number of delivery systems which provides deterrence and enhanced strategic stability, but rather the aggregate character of the total force. Our countervailing strategy demands that we maintain a capability to assure the Soviets would be unable to achieve their war aims and, in fact, that an attack on the United States would result in a devastating retaliatory response. Because a key objective of our national security policy is to enhance strategic stability, we need to reduce the advantages which could be achieved by a Soviet first strike. This demands a force structure with varied characteristics.

The composition of our strategic forces is determined through national security guidance, military guidance, threat assessment, target base considerations, available resources, and fiscal guidelines. Final force composition and characteristics are the products of the consolidated judgment of the Services, the Administration and the Congress. A diverse force structure, such as the Triad, provides force characteristics that fulfill the objectives of deterrence and crisis stability.

QUESTION: If the rail based MX is considered to be suitable to deter a Soviet first strike, and I must assume it is since we are undertaking an expensive rebasing of the missiles, why do we need to develop the Midgetman missile which is designed to accomplish the same deterrent objective?

ANSWER: Peacekeeper Rail Garrison and Small ICBM are complementary weapon systems designed to provide high confidence deterrence by giving our National Command Authorities a high degree of operational flexibility. During a crisis or whenever it would be in the national interest to do so, dispersal of the Peacekeeper Rail Garrison force will guarantee our most accurate ICBM will be available for retaliation after a Soviet first strike. Such an action would not increase the offensive threat to the Soviet Union but would provide increased deterrent value through its assured retaliatory capability. The Small ICBM is designed to disperse under a short notice attack scenario. The system will be able to move quickly, relocate, and begin operations, ensuring the United States maintains a credible ICBM option through all phases of a nuclear exchange. Additionally, the Small ICBM will be able to attack targets suitable for a single warhead ICBM more efficiently than with a heavily MIRVed ballistic missile.

QUESTION: What targets would be remaining in the Soviet Union for the B-2 to strike after a full scale nuclear retaliatory attack by the US involving possibly thousands of nuclear warheads?

ANSWER: The value of the B-2 is in its assured destruction capability, which will underwrite the viability of the Triad into the 21st century. The B-2 has the capability to strike any of the non-time urgent targets that make up about 60% of the target base. Such a capability provides the assurance that even if one of the other Triad legs would fail because of a catastrophic system failure or a Soviet technological breakthrough, our retaliation to a Soviet attack would still be devastating and, in fact, would deter the attack in the first place.

In a START I scenario, the United States will be limited to 4,900 ICBM and SLBM warheads. After subtracting reserve force warheads, weapons not available for the initial retaliatory strike, and weapons which are launched but fail to operate properly, approximately one-half of the Soviet targets would remain for the B-2 to strike. This is, obviously, a "best case" scenario which assumes that nothing prevents the successful launch of either of the Triad's ballistic missile legs. Other scenarios would leave the B-2 a larger target set.

QUESTION: Unlike the strategic weapon systems we currently deploy, the Strategic Defense Initiative is the only approach for actually defending ourselves against incoming ballistic missiles.

Considering that we already have nine nuclear weapon delivery systems in service (three which are extremely modern, i.e. the MX, the TRIDENT II, and the Advanced Cruise Missile) why should we not direct more funding to the most promising approaches of SDI, e.g. Brillant Pebbles which could be operational by the mid-nineties, as opposed to developing more nuclear weapon delivery systems?

ANSWER: We must deploy those forces that best deter any and all enemies from attacking the United States. Today's strategic Triad has deterred the Soviet Union, and we must ensure through modernization that it continues to provide flexible employment options for our National Command Authorities.

SDIO is developing Brilliant Pebbles at a prudent pace that balances operational requirements, technology, and cost. Defensive capabilities provided by SDI will be integrated with the Triad to promote robust deterrence when feasible.

QUESTION: If the Brillant Pebbles concept proved to be a feasible and, therefore, a deterrent against a Soviet first strike, would you still require the mobile MX and Midgetman missiles?

ANSWER: As the US explores aspects of the Strategic Defense Initiative (SDI), we must make an effort to integrate them with our current and planned strategic offensive capabilities. Deterrence of the Soviet Union should not solely rest on one defensive concept or on one offensive weapon system. Over the past 40 years we have been able to successfully deter the Soviet Union based on a strategic nuclear Triad. As we look to the future, integration of SDI with our strategic nuclear Triad will deter not only the

Soviet Union, but other nations possessing the capability to deliver a nuclear weapon with a ballistic missile. Along with SDI, we must continue to modernize all three legs of our nuclear Triad to ensure we will be able to deter any and all potential enemies of the US.

QUESTION: Why can't we not rebase the MX more slowly, e.g. over a ten year period as opposed to the current three year period?

ANSWER: The Peacekeeper Rail Garrison is in an advanced state of development, and we believe by early next year we will have completed sufficient testing to proceed with a production decision. If Peacekeeper missiles are rebased more slowly, total program costs will increase significantly due to production stretch-outs. For example, if the program has a 7-year deployment profile (one garrison per year), total program costs will rise $2.6B, a 23 percent increase.

SUBCOMMITTEE RECESS

Senator **Inouye**. The subcommittee will be in recess until next Thursday, April 5, and we will meet in this room. At that time we will hear from the Secretary of the Navy, the Chief of Naval Operations and the Commandant of the Marine Corps about the fiscal year 1991 budget request.

Secretary **Rice**. Thank you, Mr. Chairman.

[Whereupon, at 12:28 p.m., Tuesday, April 3, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1991

THURSDAY, APRIL 5, 1990

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, Leahy, Bumpers, Stevens, Rudman, Cochran, and Specter.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

STATEMENT OF HON. H. LAWRENCE GARRETT III, SECRETARY OF THE NAVY

OPENING REMARKS OF SENATOR INOUYE

Senator **INOUYE**. This morning the subcommittee continues a review of the defense budget request for fiscal year 1991 by examining the Department of Navy programs and activities. We wish to welcome the Honorable Lawrence Garrett III, Secretary of the Navy; Adm. Carlisle A.H. Trost, Chief of Naval Operations; and Gen. A.M. Gray, the Commandant of the Marine Corps.

Before proceeding with the business at hand, I would like to take this opportunity to recognize the admiral. On behalf of the committee, I want to thank him for 40 years of great dedicated service to this country—you have had 4 years of difficult decisions and you have had to deal with the most important changes in the world order. On behalf of the committee I wish you fair winds and following seas, is that the way the Navy folks talk?

Admiral **TROST**. That is a good one.

Senator **INOUYE**. As you embark in the new phase of your career, we wish you the best, sir.

Admiral **TROST**. Thank you, Mr. Chairman.

Senator **INOUYE**. The fiscal year 1991 budget includes $100.3 billion for the Navy, a decline of $100 million from the level provided in fiscal year 1990. Of this request, $9.1 billion directly supports the activities of the Marine Corps.

The budget proposes several adjustments in Navy force structure and programs, including a reduction of approximately 5,900 military personnel; a net decrease of 5 ships and transfer of 7 ships to the Reserves; termination of the Sealands and the V-22 development programs; and the end of the M-1A1 tank production for the Marines.

While many of these specific changes are controversial in view of the major changes in Europe, they are considered to be relatively minor adjustments particularly when compared, as some have suggested, with other services.

There are not proposed changes in operating tempo for deployments or pilot missions readiness and no significant changes have been made to Marine Corps forces or operations.

It has been argued that the United States must retain significant naval power because it is a maritime nation dependent on access to sea lanes and sea lines of communications for maintenance of trade relationships.

Yet it has also been postulated that the only major threat to United States naval power is the Soviet Union which has significantly reduced the scope of its naval operations in recent months.

Some argue that significant savings could result from changing the pattern of Navy operations and preserving naval force structure. Reduced tensions, some say, could provide the opportunity to decrease the tempo of operations and forward deployments, while maintaining the necessary level of readiness.

Determining the appropriate level of forces, materiel, training, and operations for fiscal year 1991 I believe will require each of us to make our best efforts as we deal with the dynamic changes underway in the world.

So we look to your testimony and I can assure you that we stand ready to work with you to resolve the many problems facing us.

Mr. Secretary, Admiral Trost, and General Gray, on behalf of the committee I welcome all of you, and may I assure you that your statements have been received and they have been made part of the permanent record.

Mr. Secretary, you may proceed as you wish, sir.

STATEMENT HIGHLIGHTED

Secretary GARRETT. Thank you very much, Mr. Chairman, members of the committee. I welcome this opportunity to review with you the posture of the Navy-Marine Corps team and to discuss with you the Department of the Navy budget for fiscal year 1991.

This budget is, Mr. Chairman, responsive to the dramatic changes of the past year, and includes significant changes that correspond with the new security environment. As Secretary of Defense Cheney said only yesterday, we have cut force structure, initiated base closures, and terminated programs, all to the extent possible in light of the enormous uncertainty that characterizes present circumstances.

The Secretary of Defense has initiated major program reviews, as we know, to analyze each service's budget, force structure, and our procurement plans. That analysis is based on long-term requirements needed to meet our country's strategic objectives.

SIX ENDURING MILITARY REQUIREMENTS

The Navy and Marine Corps program has been structured carefully to contribute to meeting all of our six enduring military requirements.

First, a strong strategic deterrent, supported by the Trident D5 submarine-launched missile system now joining the fleet.

Second, strong alliances, bolstered by the forward presence of a deployed fleet and Fleet Marine Force.

Third, forward force deployment, a duty which the Navy and the Marine Corps carry out daily around the world, sending signals of strength, resolve, and friendship, supporting the foreign policy of a superpower.

Fourth, maritime superiority, controlling the seas which link us to our allies, our friends, and our trading partners around the world.

Fifth, the ability to project power, across the world's oceans, a requirement met by aircraft carrier battle groups, and by Marine expeditionary forces, without regard to base access or overflight restrictions. And finally, a strong, technologically sophisticated industrial base to provide the weapons our sailors and our marines need to do their job.

The Department of the Navy's challenge, Mr. Chairman, is within fiscal constraints, to provide the unified commanders-in-chief a Navy and a Marine Corps capable of performing their missions—forces for strategic deterrence, sustained worldwide presence, and with the flexibility to respond to regional threats anywhere in the world; forces which can in addition contribute to national goals of deterring terrorism and the interdiction of narcotics trafficking.

Above all, we must work hard to ensure that actions taken today and actions taken in the near future to meet budgetary targets will not reduce our forces in ways that are difficult, if not absolutely impossible to reverse, should new threats emerge quickly.

PRIORITIES ESTABLISHED

The Department of the Navy fiscal year 1991 budget before you responds to this challenge and establishes the following priorities.

First and foremost, our people. The Department's highest budget priority is sustaining the professional quality of our sailors and our marines. Only through their efforts can our advanced technology, training, tactics, and strategy succeed.

Accomplishing this requires addressing the aggregate of issues in compensation, quality of life, and training programs that both attract and retain the best of America's young people.

Second, readiness. All deployable Navy and Marine units must be fully manned and ready. That is in terms of ammunition, spare parts, as well as training. Naval forces, as shown by our experience and past contingencies, will be given little, if any, time to prepare for combat.

Past lessons learned from the days of hollow forces shall not, Mr. Chairman, be repeated. Sailors and marines must know that we will not allow readiness to slip.

Third is balance. Our plan for fiscal year 1991 strikes a careful balance among competing requirements, including force mix, readiness, sustainability, and investment in research and development.

Fourth is combat capability, the reason we exist. Because U.S. superiority in antisubmarine warfare is critical to strategic deterrence, warning, and to success in all other warfare areas, antisubmarine warfare remains the Department of the Navy's No. 1 warfare priority.

At the same time we must prepare for the most likely power projection requirements, retaining a strength that resides primarily in the strike potential of our 14 aircraft carrier battle groups and the capability of our 3 Marine expeditionary forces. Moreover, no warfare areas can be totally neglected in an era of rapid technological progress.

Finally, Mr. Chairman, technology. The qualitative edge enjoyed by the Navy and the Marine Corps, I submit, must endure in all missions and in all warfare areas. Such superiority demands a vigorous research and development program to support the forces of the future, whether or not a major new threat emerges in the near term. The Department of the Navy's budget reflects this emphasis.

In conclusion, Mr. Chairman, today's volunteer professional sailors and marines are extremely proud to serve in a revitalized, globally deployed fleet and fleet Marine force, extending the horizons of peace and freedom around the world. All of our men and women, uniformed and civilian alike, are honored to have contributed to the U.S. strength and resolve that have fostered the peaceful and dramatic events that we have witnessed in 1989.

At the same time, we know from experience that uncertainties and dangers remain. The United States is an island nation, dependent upon the seas for our links to our allies, to our friends, and to our trading partners. Our national security will continue to require a strong, reliable strategic deterrent, sea control, and the ability to project power across the world's oceans.

As we decide together how to structure our defenses for the future, we should consider the flexibility and deterrent value of each purchase, favoring those which will have an enduring capacity to respond to the widest variety of likely contingencies.

Mr. Chairman, the Department of the Navy's fiscal year 1991 budget reflects a plan that meets that challenge and is balanced and is affordable. I believe it is worthy of your support.

Thank you, Mr. Chairman. I will be happy to respond to your questions after Admiral Trost and General Gray comment.

Senator INOUYE. I thank you, Mr. Secretary.

[The statement follows:]

STATEMENT OF HON. H. LAWRENCE GARRETT III

I. The Navy-Marine Corps Team and National Defense

The New Security Environment

Dramatic changes in the world order are now unfolding that are likely to alter fundamentally the basic tenets of U.S. defense planning. Political changes in Eastern Europe, a less immediately threatening Soviet military posture, and progress in arms negotiations are all factors that may broaden the focus and challenge the basic premises of U.S. defense considerations. At the same time, concern about the federal deficit and pressures to increase funding for domestic programs are combining with international events to produce a growing consensus in favor of reducing the defense budget.

While many of the changes taking place today give us cause for great hope, others are cause for great concern. There has been no decrease in regional instability, a simple fact illustrated by events in Asia, Central America, and by continued conflict in the Middle East. Complicating this picture is a rapid proliferation of sophisticated weapons to Third World countries, many with regimes hostile to U.S. interests. While we welcome the new views expressed by Soviet leaders, Soviet military capabilities are still formidable and modernizing, even so far as to incorporate carrier-based high performance aircraft. The Soviet Union, now in the throes of political turmoil, will continue to pose the greatest potential threat to the United States and its allies.

Progress toward a more democratic Eastern Europe, with its potential for lower overall levels of armament, is promising, but as with events in the Soviet Union, the course is uncharted, and success is far from assured. Moreover, threats to U.S. security interests are becoming more widely dispersed and transnational in character, involving problems as diverse as drug interdiction and terrorism. In this new environment, the United States will have an abiding need for military strength that is mobile, adaptable, and that may be operated independently of restrictions to basing and access.

Naval Forces: Still Critical to U.S. Defense

Some aspects of the future, however, are more certain. First, the United States remains unalterably an island nation, a maritime nation, dependent upon the seas which provide the avenues for our international business, for our links to allies overseas, and which provide a haven for a large portion of our strategic deterrent. Second, threats to world peace are spread throughout the world. To support our national security objectives, the Navy and Marine Corps must remain on station, maintaining a global presence with forces that can be tailored quickly to political, military, and geographic circumstances.

For America, the crisis is always an ocean away. If we desire to retain our role of world leadership, we must preserve the ability to influence events far from our shores, an ability exercised by naval forces in response to crises more than 25 times in the last five years. As access to overseas bases becomes more restricted, as we are able to bring troops home, the President must rely more and more on our ability to operate from the seas. The Navy's sustained worldwide presence at sea lends visible support to alliance cohesiveness, regional stability, and the overall security framework for progress toward U.S. foreign policy objectives of peace and freedom.

Aircraft carrier battle groups offer a means, often the only means, to effect a regional balance of power at the scene of conflict. Our deployed Marine Expeditionary Units are the only ready forces available just off shore from the troubled area. And when the issue is resolved, these forces can just as easily be redeployed, assuming new roles in distant areas of the world. In an era of rapid and unpredictable political changes, this feature is more important than ever. These forces are on station today in international waters and airspace. Using the best of America's technology, these forces can bring combat power to bear, or send clear signals--of resolve, reassurance, or friendship.

Naval forces, to retain their deterrent effect and prompt responsive capability, must consist primarily of active units at high states of readiness. When America needs naval forces to respond, they must be at sea or ready to get underway. Complex warships cannot be easily created or mobilized for war. The Fleet's rapid recovery in preparation for the Korean War, when the battle force expanded from 237 ships in June 1950 to 1,100 ships in July 1951, was based on the large pool of inactive ships (including 29 aircraft carriers, 14 battleships, 51 cruisers, and 400 destroyers and frigates) that had been demobilized immediately after VJ Day. Today, such a pool of inactive ships does not exist. In 1950, the first mobilized aircraft carriers joined the Fleet within weeks. Today, with more complex combat systems, such a build-up for conflict would take years.

America, if she is to remain a world power, will always have a special need for ready, flexible, mobile maritime forces that can preserve our Nation's position of strength around the globe, acting wherever called upon to bring order to unstable and threatening situations. Your Navy and Marine Corps are ready to continue to meet this challenge.

The Navy and Marine Corps Today

As we enter the 1990s, the Navy and Marine Corps team is emerging from a decade marked by growth and substantial modernization, and by a restoration of unit readiness and stocks of war reserve materials that had eroded in the lean years of the 1970s. Our forces are ready, well balanced, and are manned by top quality Sailors and Marines. Our challenge as we plan for 1990 and beyond is to preserve the readiness of our naval forces to support the National Military Strategy, performing our enduring missions of strategic deterrence, power projection, sea control, and strategic sealift in what promises to be an era of rapid but clearly unpredictable change.

The U.S. force of ballistic missile submarines today is the most cost effective and secure leg of the strategic triad, providing half of the nation's deliverable warheads for only one-quarter of the strategic budget. The new, more accurate, and longer-range D-5 missile will serve our deterrent needs well in an era of sharply reduced strategic inventories.

Our conventional striking power at sea is distributed widely, from the combined punch of a full aircraft carrier battle group, to the independent and selective use of submarines and surface ships with Tomahawk cruise missiles. Just as an aircraft carrier is a sea-based airfield, amphibious ships are the Marines' operating and maintenance bases, logistics and troop assembly areas, and the attack positions from which its forces can strike. Amphibious forces are optimally suited for crisis response missions ashore because they can be deployed, recalled, reconstituted, and subsequently redeployed as the political situation unmasks its demands on our military capabilities. Marine Expeditionary Force modernization has resulted in greater mobility and, through the use of pre-positioned afloat material, greater staying power wherever Marines may be called into action. With a shrinking overseas base network and fewer nations willing to allow access to their facilities, the strike and self-sustaining capabilities of our naval power projection forces are appreciating in value to our security with each passing day.

For a world power separated from its allies by oceans and reliant upon seaborne trade, sea control is the *sine qua non* for the other roles of deterrence, power projection, and lift. Unless we can sail safely, delivery of firepower or support of forces ashore is impossible. The new technologies of low radar observability, electronic warfare, and submarine acoustic quieting are challenging our ability to defend against enemy aircraft, missiles and submarines. Our new aircraft, warships and submarines, by necessity, incorporate the best of these characteristics, and the best available sensors and weapons to defend our forces at sea.

Arms Control

The U.S. objective in arms control is the enhancement of U.S. security while preserving an effective deterrent, supporting alliances, and achieving real reductions in risk. To that end, naval forces are included in U.S. negotiating proposals at the Strategic Arms Reduction Talks (START) in Geneva, and the Conference on Disarmament in Europe (CDE) Talks in Vienna. They are properly excluded from the Conference on Conventional Forces in Europe (CFE) Talks, which are focused on correcting the huge and destabilizing asymmetry in ground forces in Europe.

The U.S. position on naval arms control has been explicitly put forward by the President and many other senior spokesmen in the past few months. The policy of not negotiating on naval arms control is a function of both a clear understanding of the maritime requirements of this nation and a desire to bring the current talks to a successful conclusion within their specified terms of reference.

In contrast, recent Soviet public statements concerning naval arms control have been clearly aimed at negating the West's necessary maritime strength, and thereby limiting U.S. ability to respond to crises or to reinforce our Allies. The U.S. need to operate naval forces, globally and unconstrained, is analogous to the Soviet objective to maintain the freedom to reposition armed forces within their borders. The sea lines of communication defended by the Navy and Marine Corps have exactly the same vital importance to the West as the railway system defended by the Soviet Army.

Our need for credible power at sea is not and never has been related solely to the capabilities of the Soviet Union. Seagoing forces throughout our history have responded time and time again to the nation's call for rapid, effective response to threats to our security. Most recently these threats are posed by less predictable but increasingly capable forces in the Third World. Moreover, any arms control agreement that would restrict our ability to defend our interests anywhere in the world would weaken the West's deterrent posture and consequently decrease Western security.

Anti-drug Operations

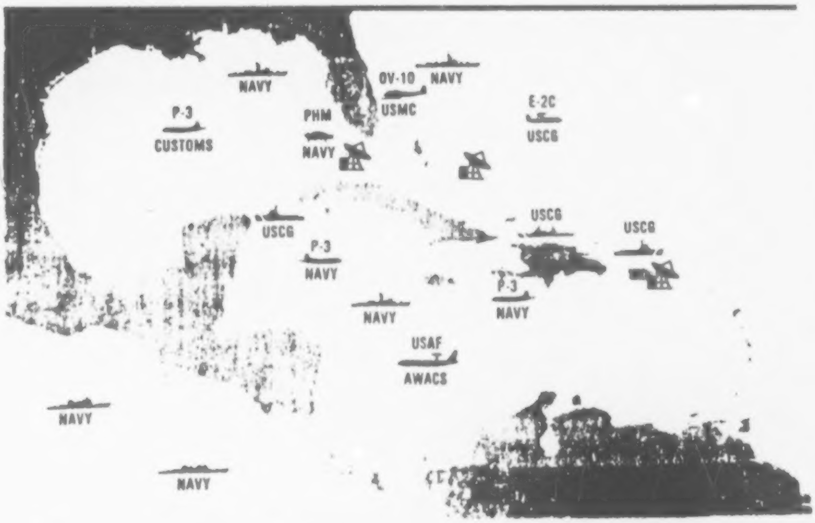
The Department of the Navy is fully committed to the detection and countering of the production, trafficking, and illegal use of drugs. Through assistance and cooperation with law enforcement agencies and other Services, we are taking action to prevent, disrupt, and deter illegal drug use.

The Department of the Navy moved aggressively in the 1980s to attack the drug use which was undermining military readiness. Testing, education, and enforcement within the Navy and Marine Corps has reduced the incidence of drug abuse, as detected by random urinalysis, from 33 percent ten years ago to about five percent today. The policy of "zero tolerance" has had a positive impact on morale, military fitness, and readiness, and stands as a positive example to the rest of society. At the same time, the Department of the Navy has steadily increased its support to law enforcement agencies to stem the pervasive drug trafficking which cripples American society.

While the law directs that military personnel are not to participate directly in search, seizure, or arrest, Sailors and Marines have taken an enlarged role in supporting national counternarcotics operations, and a leading role in detecting and monitoring the aerial and maritime transit of illegal drugs into the United States. In addition, the Department of the Navy directly assists law enforcement efforts through training, facilities, logistics, maintenance, communications, and equipment.

Since 1982, Navy ships have embarked U.S. Coast Guard Law Enforcement Detachments for dedicated counternarcotics operations or when steaming in common drug trafficking areas. Navy ships provide the bulk of the surface and air assets of the joint U.S. Caribbean Squadron, which conducts interdiction operations near to the source countries and in choke points, such as straits where transit routes converge.

COUNTERNARCOTICS OPERATIONS



Today's expanded anti-drug operations, initially concentrated in the Caribbean area, have been extended to the Pacific. Our ships at sea are empowered at appropriate times to use warning shots, and if necessary, disabling fire to stop drug traffickers before they reach our shores. Navy aircraft, primarily P-3s, E-2s, S-3s, and shipboard helicopters, routinely conduct dedicated anti-drug surveillance operations. Marine OV-10 aircraft have been used as well to support Customs and Coast Guard operations. Marines man surveillance radars in the northern Caribbean area, and conduct joint training with the U.S. Border Patrol in selected areas along the southwest border which are commonly used for drug smuggling.

Navy Drug Interdiction Patrols

Fiscal Year	Ship Steaming Days	Aircraft Flying Hours
1988	2,037	7,382
1989	2,081	10,001
1990*	3,633	40,870
1991*	4,844	40,870

*Estimate

Navy and Marine personnel, both active and reserve, are assigned to the regional offices of the Office of National Drug Control Policy, the State Department, and to the U.S. Drug Enforcement Administration to provide planning, intelligence, logistics, communications, and operational support. One hundred twenty-six billets at the new joint task forces dedicated to drug interdiction are filled with Navy and Marine Corps personnel.

Naval Operations in 1989

Throughout 1989, Sailors and Marines supported United States security interests in the full range of missions, from strategic deterrence, presence, and humanitarian action, through major international exercises, to crisis response. The summary of selected 1989 events is a clear indicator of the enduring role of naval forces in American security policy.

When not responding to crises or emergent tasking, Navy and Marine Corps units operated last year in all the world's oceans, exercising with European, Asian, and Latin American navies to build expertise and to reinforce the fabric of the alliances which America leads. U.S. ballistic missile submarines, operating quietly and undetected, conducted more than 100 deterrent patrols. While on routine transits and exercises, Navy ships rescued more than 250 refugees in the South China Sea. Ships assigned to the Joint Task Force Middle East escorted U.S. Flag vessels through Persian Gulf shipping lanes, acting as a force for stability in that area, now the scene of an uncertain peace. Marine forces in 1989 completed their Persian Gulf Mobile Seabase operations.

1989 HIGHLIGHTS

January-December: Ships of the Middle East Force in 1989 completed 236 Earnest Will missions, ensuring the safe transit of 26[illegible] U.S. Flag ships through the Persian Gulf.

January: Two F-14s from USS JOHN F. KENNEDY (CV 67) shot down two Libyan MIG-23 Fighters which were maneuvering to attack the Navy aircraft.

February: Amphibious ships with an embarked Marine Expeditionary Unit moved toward Lebanon following a missile attack on the U.S. Ambassador's residence.

April: Amphibious ships with embarked Marines and oil recovery craft assisted in the cleanup following a tanker accident in Prince William Sound.

May: Even as events in Beijing unfolded, USS BLUE RIDGE (LCC 19), USS STERETT (CG 31), and USS RODNEY M. DAVIS (FFG 60) were welcomed in Shanghai, in the first visit to that city by U.S. Navy ships since 1946.

June: The fast sealift ship USNS BELLATRIX (T-AKR 288) transported Army personnel and equipment to the Panama Canal in response to political turmoil.

August: USS CORAL SEA (CV 43), USS IOWA (BB 61), and USS BELKNAP (CG 26) and an Amphibious Ready Group with an embarked Marine Expeditionary Unit were stationed off Lebanon in response to the suspected hanging of Marine Lieutenant Colonel William R. Higgins and to threats to other hostages. USS AMERICA (CV 66) battlegroup was ordered to the North Arabian Sea.

August: USS THOMAS S. GATES (CG 51) and USS KAUFFMAN (FFG 59) made a port call in Sevastopol, responding to the July visit of three Soviet ships to Norfolk, Virginia.

September: In the aftermath of Hurricane Hugo, USS CLIFTON SPRAGUE (FFG 16), USS STEPHEN W. GROVES (FFG 29), USS SEMMES (DDG 18), USS PENSACOLA (LSD 38), USNS NEOSHO (TAO 143), USS GUNSTON HALL (LSD 44), and USS AUSTIN (LPD 4) provided emergency services, including communications, medical aid, food, electrical power, and drinking water to residents of Puerto Rico and the U.S. Virgin Islands. Emergency teams of the USS FRANK CABLE (AS 40) and from Charleston area ships and shore activities assisted in disaster recovery efforts in the Charleston, South Carolina area.

October: USS BLAKELY (FF 1072) participated in the 115th combined Navy-Coast Guard drug seizure.

October: Following the San Francisco earthquake, USS LANG (FF 1060) provided steam for power generation, USS GRAY (FF 1054) provided emergency electrical service for the Marina District, and USS PELELIU (LHA 5) and USNS MERCY (T-AH 19) provided food and shelter for hundreds of earthquake homeless. In all, more than 11,000 Sailors and Marines aided in the recovery efforts.

December:U.S. and Soviet navies hosted a summit meeting between President George Bush and General Secretary Mikhail Gorbachev in the Mediterranean Sea.

December: An Amphibious Ready Group with an embarked Marine Expeditionary Unit, the USS MIDWAY (CV 41) and USS ENTERPRISE (CV 65) battle groups, and Marines reinforcing the U.S. Embassy in Manila responded to the attempted coup against Philippine President Aquino.

December: Navy SEALs and Marines participated in the restoration of Panama to elected civilian rule.

II. Resources of the Department of the Navy

Few issues are more discussed and less understood today than the relation of defense spending to the federal budget and to national economics. As the figures show, our current, declining level of defense spending represents a relatively small and decreasing portion of our national economy, and a decreasing portion of federal expenditure. In fact, by the Department of Defense plan, in FY 1995 both measures of defense expenditure will achieve their lowest levels in over fifty years. This general downward trend in defense spending reflects an appreciation of changes in U.S. security needs, taking into account political changes in Eastern Europe and the Soviet Union, as well as the enduring defensive missions of our armed forces. Moreover, the funding level devoted to national defense must reflect primarily the genuine security needs of the nation, as derived from the National Security Strategy.

Defense Budget Trends

Fiscal Year	DoD Percent of GNP	DoD Percent of Federal Outlays
1984	6.0	25.9
1985	6.2	25.9
1986	6.3	26.8
1987	6.2	27.3
1988	5.9	26.5
1989	5.7	25.8
1990*	5.2	24.0
1991*	5.0	23.7
1992*	4.7	23.3
1993*	4.4	22.6
1994*	4.2	21.6
1995*	4.0	20.6

* Estimate

The successive revisions made necessary by the defense budget cuts of the last five fiscal years have had cumulative effects. Foremost is the increased risk which attends the curtailment of some promising development and procurement programs in order to fund our more urgent operating needs. Second, efficiency is lost when we introduce change and instability in procurement programs that increase business costs.

Despite the constant tempo of operations worldwide, funding for Navy and Marine Corps programs has experienced real decline for the sixth straight year. In real terms, the FY 1991 Department of the Navy program remains below that for any fiscal year since 1982. Budget austerity will result in FY 1991 in the deactivation of 23 ships, a decrease only partially offset by the FY 1991 delivery of 18 ships funded in prior years. Deactivated units in FY 1991 include two battleships, 11 guided missile destroyers, one diesel submarine, eight nuclear powered attack submarines, and one fleet oiler. Six frigates and an amphibious landing ship will be transferred in FY 1991 from the active to the reserve fleet. The Marine Corps placed three infantry battalions in cadre during FY 1989 and transferred several active support units to the Reserves. Program cancellations since the FY 1990/1991 President's Revised Budget Submission last year include Maverick after FY 1990 and Harpoon after FY 1991. Procurement of the M-1 Tank concludes in FY 1990 and development funding for the V-22 and Sea Lance is terminated after FY 1990.

Navy battle forces overall will continue to decline in number, from a strength of 566 ships in FY 1989 to a Fleet of 546 in FY 1991. With funds appropriated for FY 1989 the Department of the Navy initiated procurement for 207 aircraft and 20 ships. Funding for FY 1990 will support a buy of 145 aircraft and 19 ships, including an icebreaker for the U.S. Coast Guard. The budget request for FY 1991 includes funding for 178 aircraft and 15 ships.

Budget Priorities

Our challenge is, within fiscal constraints, to provide to the Unified Commanders-in-Chief a Navy and Marine Corps capable of performing their missions, with a strong strategic deterrent, a sustained world-wide presence, and the flexibility necessary to respond to regional threats and to contribute to national goals of deterring terrorism and the interdiction of narcotics trafficking. At the same time, domestic fiscal pressures require that we concisely define and articulate our requirements as we continue to provide for our nation's security needs. Above all, we have worked hard to ensure that actions taken to meet budgetary targets will not produce effects that are difficult, if not impossible, to reverse, should new threats emerge quickly.

The FY 1991 budget reflects these highest priorities:

- People. The Department of the Navy's highest budget priority is sustaining the professional quality of our Sailors and Marines. Only through their efforts can our advanced technology, training, tactics, and strategy succeed. Accomplishing this requires addressing the aggregate of issues in compensation, quality of life, and training programs that attract and retain the best of America's young people.

- Readiness. All deployable Navy and Marine units must be fully manned and ready, in terms of ammunition, spare parts, and training. Naval forces, as shown by our experience in past contingencies, will be given little, if any, time to prepare for combat. Past lessons learned from the days of "hollow" forces shall not be repeated. Sailors and Marines must know that we will not allow readiness to slip.

- Balance. Our plan for FY 1991 strikes a careful balance among competing requirements, including force mix, readiness, sustainability, and investment in research and development.

- Combat capability. Because U.S. superiority in antisubmarine warfare is critical to strategic deterrence, warning, and all other warfare areas, ASW remains the Department of the Navy's number one warfare priority. At the same time, we must prepare for the most likely power projection requirements, retaining a strength that resides primarily in the strike potential of our fourteen aircraft carrier battle groups and the expeditionary capability of our Fleet Marine Force. Moreover, no warfare areas can be neglected in an era of rapid technological progress, when high-technology weapons spread quickly to unreliable actors, and when the character of military operations is difficult to predict.

- Technology. The qualitative edge enjoyed by the Navy and Marine Corps must endure--in all missions and warfare areas. Such superiority demands a vigorous research and development program to support the forces of the future, whether or not a major new threat emerges in the near term.

III. Sailors and Marines

> *This meeting is taking place because you have done your jobs; you have done your duty. You and Sailors like you all around the world have kept us strong and helped the horizons of democracy eclipse nation and race. Because of you, freedom is sweeping the globe. Our meeting here off Malta will last two days, but the freedoms that we seek must last for generations.*
>
> - President George Bush aboard USS FORRESTAL (CV 59) 1 December 1989

Today's Sailors and Marines are better trained and equipped than at any time in the Navy's history. Today, more than ninety ships are underway, with about 100,000 Sailors and Marines, on station, demonstrating their commitment and dedication to our country by serving in virtually every area of the globe. When our national interest requires military action, as it has more than fifty times in the last ten years, Sailors and Marines have been there, ready and willing to respond as a fully trained, integrated and professional fighting force.

Our volunteer Sailors' and Marines' professionalism and dedication are evident wherever they serve in the Fleet. But sea duty remains a particularly arduous endeavor. Our men and women rate family separation as the number one "dissatisfier" in their careers. Six month deployments, underway periods away from their home ports, and overnight duty inport all combine to strain their quality of life. We must not ask our servicemen and their families to bear the burden of declining defense budgets by retreating from today's Perstempo standards, either by increasing the length of their deployments or by shortening their time inport.

A Sailor's First Tour

Our first term enlistee is typically a high school graduate who finished in the top academic half of his class. He enlisted for four years of service, and received five or more months of military and technical training before reporting to his first ship.

During his first sea tour, our young Sailor will make two six-month deployments to the Western Pacific, the Mediterranean, or the Middle East. Between these major deployments, his ship will spend thirty percent of its time underway for routine testing, training or other operations, such as counternarcotics patrols. At sea, our Sailor has a 70-80 hour work-week, with demands of training, maintenance and watchstanding. Inport, in addition to normal work-day duties, he will spend every fifth night aboard the ship for watchstanding and security requirements.

Through a demanding program of classroom and on-the-job training, the typical first-tour Sailor will acquire the technical competence to maintain equipment under his direct responsibility, often with values of more than $1 million. He will learn quickly about leadership as well, rising typically to the rank of E-5, or Second Class Petty Officer during his first enlistment, a position reflecting his experience, and the special trust and confidence we have in our men and women of the Sea Services.

The people who make up today's Navy and Marine Corps are a mirror image of our society, with the same needs and concerns of every individual American. In addition, these professionals have voluntarily accepted the challenges found in today's Navy and Marine Corps with the faith that we will continue to support them and their families' needs. However recent pay increases have failed to keep pace with inflation and the pay gap between military and civilian wage growth continues to widen at an unacceptable rate. Unhappiness with pay has returned as the number two "dissatisfier" with Navy life because of this widening comparability gap. Providing our personnel with competitive compensation and benefits is fundamental to our commitment to retaining a competent, professional force.

Today's Marine

Today's Fleet Marine Force is made up of volunteers, men and women personally committed to service, pursuing the intangibles--esprit, pride, courage, self discipline--always associated with the United States Marine Corps.

During his very first tour, a young Marine will deploy overseas at least twice, either afloat or ashore. In both the western Pacific and the Mediterranean, Marines are embarked aboard combat-loaded amphibious ships, on station, ready for action in contingencies that may never happen, or are just about to. In a rapidly changing battlefield, success depends, more than ever, on competence, maturity, and initiative, essential traits to prevail despite unforeseen circumstances.

To cope with these new demands, we have beefed up the warrior skills taught in boot camp, with more weapons training, more field training, and upgrades to our lessons in marksmanship, physical fitness, water survival, and close combat. Before learning his specialized skill, whether avionics technician, artilleryman, or computer specialist, every Marine gets an extra dose of combat training, emphasizing squad level tactics, crew served weapons, and offensive combat skills. We have backed up this program with more training for our non-commissioned officers, to make sure they are ready to lead their units, and to teach their people in basic combat skills.

Today's Marine, like others before him, is ready to fight "in every clime and place", from the snows of Norway to the heat of the Persian Gulf. He's the best qualified, best trained Marine in our history, with the combat skills and the street-smarts to cope with whatever job comes his way.

As we adjust manpower programs to reflect changes in force structure, it is imperative that we improve the quality and experience of our personnel, and thereby sustain or improve Fleet readiness. We must continue to fund personnel accounts to ensure that our people can be promoted, transferred and paid so as to be able to live at a level comparable to their civilian counterparts.

Navy and Marine Corps Reserve

In keeping with Congressional direction, the responsibilities and missions of the Naval Reserve are integral to the Navy's Total Force. Several critical missions are exclusively, or predominantly entrusted to the Naval Reserve. These include helicopter strike rescue and special warfare support, mobile inshore/undersea warfare and, within the continental U.S., heavy airlift and fighter-composite squadrons. The Naval Reserve is now responsible for more than 80 percent of our Control of Shipping organization, cargo-handling battalions, military sealift personnel, and mine warfare ships. Upon mobilization, the Naval Reserve would provide more than 50 percent of our mobile construction battalions, fleet hospitals and special boat forces, and almost 35 percent of naval intelligence personnel and 28 percent of the maritime air patrol capabilities needed in wartime.

As a matter of routine, Naval Reservists train and operate with their mobilization commands in the fleet. Their professionalism and commitment were very much evident in the Persian Gulf where full time Reserve support personnel (TARS) and voluntarily recalled drilling Reservists worked side by side with their regular Navy counterparts.

The Marine Corps Reserve is structured, equipped, trained, and ready to augment and reinforce the active forces when employed in high intensity conflict. Upon mobilization, this Reserve component provides up to 33 percent of the Marine Corps' wartime manpower requirements, 40 percent of Marine tank battalions, 25 percent of the artillery, 33 percent of the observation aircraft, 29 percent of the aerial refueling aircraft, 28 percent of the light attack aircraft, and 25 percent of the anti-aircraft missile capability.

Our Reserves are ready for selective call-ups, whether for contingencies, major conflict, or special tests of our mobilization capabilities.

Women in the Sea Services

Uniformed women of the Navy and Marine Corps contribute more to accomplishing the Department of the Navy's missions than ever before. Their duties are expanding into every area permitted by law. With the recent selection of women to serve as Commanding Officers of aviation squadrons, ships, and shore commands, Navy women will have a direct, positive impact on every facet of naval warfare. Presently, women make up 9.6 percent of Navy enlisted personnel and 10.3 percent of the Navy officer corps. A variety of billets historically closed to females have been opened, including 88 of 102 enlisted ratings and all of the officer communities except for submarines and special warfare. A refinement of the Defense Department's interpretation of the combat exclusion laws and modified regulations have facilitated the assignment of more women to sea-going billets, and permitted the assignment of women Marines to Marine Security Guard detachments at embassies and to the Marine Security Force aboard bases and ships.

Women now serve at sea in 7938 enlisted and 281 officer billets aboard 120 ships, and 7491 enlisted and 324 officers serve in 110 aviation squadrons. Sea-going billets are found aboard submarine and destroyer tenders, repair ships, a training aircraft carrier, Military Sealift Command Ships, and Combat Logistic Force Ships. In naval aviation these billets are found in maritime patrol, fleet composite, tactical electronic warfare, helicopter combat support, and training squadrons. Active management measures such as selective recruiting and pre-service counselling have also improved the balance between men and women in sea-intensive and shore-intensive ratings. Overall, career opportunities for women have dramatically improved, with women filling responsible, and technically challenging jobs.

Recruiting

The Navy attained 100 percent of its FY 1989 accession goal, with 95,186 accessions, of which 89,379 were non-prior service. Ninety percent of these new Sailors had high school diplomas, and 11 percent came from the lowest recruitable mental group. These quality indicators declined slightly from the previous year. A strong national economy, declining numbers in youth eligible to enlist, and reduced awareness of the Navy among recruitable youth continued to increase the challenge of recruiting. A continued downturn in higher quality non-prior service male accessions required more non-prior service female and prior service male accessions to achieve overall recruiting goals. The Navy's Delayed Entry Program pool of recruits waiting to start their naval service, which provides a buffer for leveling the recruiting effort, declined markedly for the second year, another indicator of increased recruiting difficulty. The Marine Corps continued to meet quality and quantity goals, with high school graduates accounting for 94 percent of their 30,911 non-prior service accessions.

The Navy continues to focus on the interrelated factors of recruiting, retention, and attrition. High quality recruits are more likely to complete their first enlistments, and to contribute to the professionalism, satisfaction, and morale in the Fleet. Together with initiatives to maintain quality of life, such satisfaction also helps retention, which in turn reduces the number of new enlistees needed to sustain combat ready forces.

Competition from the private sector, coupled with young people's perception of today's budgetary climate, may lead the best candidates away from a military career. New initiatives such as increased advertising, the Navy College Fund, and the Navy Technical Scholarship Program are expected to assist the Navy's recruiting efforts. Our advertising and personnel initiatives must continue unabated if we are to attract the best and brightest to serve in our naval forces.

Navy Medicine

High quality, readily accessible medical care is a key quality of life factor for our Sailors and Marines. Not all of our problems are solved, but our progress has done much to reassure our people in uniform of the Department of the Navy's commitment to their health and the health of their families. Some new health care delivery methods hold promise for improving care. Under our managed care philosophy, we assess the level of care necessary in a case, and then determine who can best perform the required treatment. Recent partnership agreements, under which civilian physicians treat our beneficiaries in Navy facilities under a CHAMPUS contract, have improved our ability to provide specialized treatment to dependents. Additional innovations being tested, such as the Family Practice demonstration project, continue to raise our beneficiaries' satisfaction with Navy Medicine.

Navy Medical active duty personnel strength is improving, with Medical Corps strength better now than at any time since the post-Vietnam draw-down. Our retention and recruiting initiatives and newly revised special pays schedules are having a positive effect. The national nurse shortage continues to challenge our ability to attain our Nurse Corps end strength goal. However, the programs contained in the Department of Defense Authorization Act for Fiscal Years 1990 and 1991, combined with our own recruiting, retention, and educational assistance programs, brighten the outlook for the future.

By contracting for key services within Navy facilities, we are offsetting some of our remaining staff shortages and making better use of our in-house capability. In FY 1989 Navy facilities' patient load increased both in terms of admissions (more than three percent), and outpatient visits (seven percent). Contractor NAVCARE clinics handled 668,591 primary care outpatient visits in FY 1989. At the same time the NAVCARE clinics helped to bring patients back to in-patient facilities. All these initiatives have two goals: increased access to quality care for our beneficiaries and avoidance of unnecessary CHAMPUS costs.

IV. Department of the Navy Programs

As a result of the investments of the past 10 years, the Department of the Navy today enjoys key strengths in terms of the quality of its people, a balanced force structure, high readiness, and a firm technology base. Consistent with the views of the Unified Commanders in Chief, the Department of the Navy program reflects a careful balance among funding of warfare areas, the pillars of force structure, readiness, modernization, and sustainability, and among near- vs. long-term investments.

Fourteen Carrier Battle Groups and three Marine Expeditionary Forces will remain the centerpiece of our naval force structure. These forces will include a balanced mix of modern, highly capable aircraft, surface combatants, submarines, amphibious forces, and mine warfare ships, supported by integrated and inter-operable command and control systems.

In order to ensure that appropriate readiness levels are maintained, we have retained only that force structure which can be manned, equipped, maintained and supported commensurate with requirements. We have considered for inactivation/retirement those aging ships, aircraft, combat systems and other equipments that are approaching the end of service life, provide only marginal capability against the threat, or have disproportionately high operating and support costs. Where possible we have made vertical cuts to retire entire classes of weapons or systems to eliminate all associated infrastructure and support costs. The cost of continued operation has been weighed carefully against such considerations as warfighting contribution, feasibility of rapid reactivation, inactivation/reactivation costs and the cost of long-term storage.

Modernizing Our Forces

In keeping with our emphasis on supporting only those programs that support our long-term security needs, the preferred method for upgrading the combat capability of our forces is through replacement of diverse and aging ships, aircraft, and systems with up-to-date units, of fewer types, that will be less costly to operate and maintain. Unit modernization, including remanufacturing, of existing ships, aircraft, and systems will normally be undertaken only if essential to correct critical deficiencies in combat capability, self-protection, safety, reliability, or environmental protection. In fielding new systems, we have concentrated on those which best leverage the combat capabilities of our overall force.

The Department of the Navy's major combatant ship programs include development of the new SEAWOLF class of nuclear powered attack submarines, the Trident D-5 submarine-launched ballistic missile, and the new class of Aegis-equipped destroyers. The lead ship of this class, ARLEIGH BURKE (DDG 51), was launched in September 1989. Major aviation programs include the new A-12 Advanced Tactical Aircraft, with both Navy and Air Force applications, the P-7 ASW patrol aircraft, the T-45TS trainer, the Navy Advanced Tactical Fighter, and the Advanced Tactical Surveillance system. Continued progress on these key elements of tomorrow's naval force structure is essential, to retain our position of preeminence at sea.

Marine Corps developmental priorities lay in building an over the horizon assault capability to fill future U.S. needs for swift, effective expeditionary operations. Specifically, the Marine Corps is working to acquire a helicopter replacement for the aging CH-46, and an advanced amphibious assault vehicle, a high water-speed amphibian that can move assault elements of a Marine Air-Ground Task Force from amphibious shipping located over the horizon to inland objectives.

To reduce operating costs and increase commonality, the Marine Corps is reducing the number of types, models, and series of aircraft in its inventory. Requirements will be met with in-production aircraft, incorporating necessary upgrades, such as an improved radar for the F/A-18, the Helicopter Night Vision System for the CH-53E, and the Night Targeting System for the AH-1W.

Research and Development

Our ability to support U.S. national security objectives in the future depends on today's program of research and development. By enhancing the technology base and by ensuring a technically disciplined transition to production, we will increase the reliability, effectiveness, and maintainability of systems and components while reducing manning, support, and subsequent acquisition costs. The Department of the Navy is placing a greater emphasis on science and technology and test and evaluation, to provide resources that keep pace with technological advances and to identify capabilities that can then be selected for production. Our focus is on technologies with the greatest potential for improving combat capability

Key Technologies for the Future

- Modern electronics devices, including: sensors for surveillance, target location, precise navigation, and weapons guidance; advanced computers for data processing and fusion, greater computing power, and communications; and software for sensor processing, data fusion, automation and decision aids.
- Stealth and counterstealth.
- Automation, robotics, and advanced guidance and control systems for unmanned underwater, air, and ground telerobotic vehicles.
- Advances in weapons propulsion and lethality.
- Ship design, including integrated electric drive and weapons systems and superconducting motors.
- Advanced communication architectures and information processing systems, including software advances.
- Advanced materials including superconductors, ultralow-loss fiber-optic cables, thick section composite materials for structures, and gallium arsenide for advanced electronic circuits.

in each warfare area.

Rather than develop technologies on a piecemeal, item-by-item basis, we are identifying linkages between technologies within and across systems. Developing technologies in clusters lays the foundation for system engineering, which can be carried out in parallel with component research and development. Military effectiveness and affordability goals are kept in sight while pursuing an integrated program of development.

One such technology cluster is the Navy's advanced propulsion machinery system, consisting of new design ship propulsors and electrical distribution networks, fed by an inter-cooled regenerative gas turbine engine which drives generators for both propulsion and ship service power. The requisite technologies are being developed in parallel to meet the demands of Fleet firepower performance and affordability, with a view to incorporating this new system in a future surface combatant and other types of ships.

Coordination across systems and platforms is critical to success in each warfare area as well. The Navy's top warfare priority is antisubmarine warfare, which is supported by several programs, including development of the new SEAWOLF class attack submarine, the new P-7 antisubmarine patrol aircraft, shipboard sonar upgrades, and a concentrated program of research. Advances in airframe materials and electronics will provide opportunities in stealth, performance, and cost reduction of missiles and aircraft. We are striving to bring new ideas for ship hull forms, propulsion, and integrated weapons systems out of the labs and into the fleet, and to manage that process in a cost-effective manner through operational prototypes.

Navy Advanced Technology Demonstration Projects

All-optical Towed Array
Unified Network Technology
Airborne Transient Processor
Fiber Optic MK 48 ADCAP Torpedo
Surveillance Infrared Search and Track
Magnetic and Acoustic Detection of Mines
Quiet Weapons Launch
Adaptive Monopulse Countermeasures
Advanced ESM for Ship Defense
Intelligent Welding System
Synthetic Red Blood Cells
Air Weapon Neural Computer
Undersea Weapons Guidance and Control
Advanced Techniques for Combat Wound Management

Advances in missiles and unmanned vehicles, including their guidance, performance, stealth, and cost reduction will foster the development of longer-range and more effective fleet-related airborne surveillance and targeting systems. Missile systems will extend the attack capabilities of platforms that are likely to remain longer with our active Fleet, highlighting the importance of "planned" product improvement for both forces and systems. "Intelligent" machines may reduce manpower and improve combat damage control and shore- and ship-based fleet support.

To streamline the development path of technologies into systems, we are paying special attention to the early phases of advanced development. For example, the Advanced Technology Demonstration program is designed to uncover potential problems prior to large investments. It is the Navy's surest means of transitioning high-payoff technologies into weapon systems.

The requirement to maintain a well-trained Navy and Marine Corps in the face of declining resources and the increasing sophistication of our combat systems poses a tremendous challenge. We are working to develop targets, embedded trainers and training ranges which test the outer limits of our weapon systems and their operators, and provide realistic feedback on their performance at a reasonable cost. As we increase the sophistication and capability of our operational training, we will examine the feasibility of further streamlining the shore training establishment to produce compensatory savings.

Sealift

Sealift is essential to the capability of the United States to project military power abroad in time of crisis or war. In any scenario involving large scale deployments of forces, more than 95 percent of the equipment and resupply material must move by sea.

Although we presently have 167 sealift ships under government ownership and control, the bulk of our sealift forces must come from the private sector--the merchant marine. We are most concerned, therefore, that the United States continues to have a healthy commercial merchant marine. We have taken steps to ensure that special purpose sealift platforms and equipment are in the government inventory, but we continue to believe that sealift requirements are most efficiently and effectively achieved through close cooperation between the military and the merchant marine.

Over the past ten years, the Department of the Navy has funded a number of programs to compensate for military sealift capability lost as the privately-owned U.S.-flag merchant marine declined. It is clearly beyond our means, however, to make up for the continued loss of commercial capability projected for the 1990s. At the request of the Department of Defense, the National Security Council assessed the situation, and in October 1989, the President signed a National Security Directive on Sealift establishing a new sealift policy.

Under the new sealift policy, we will continue to rely on the private sector merchant fleets of both U.S. and allied nations to provide military sealift. To that end, the policy calls for formulation of programs necessary to ensure that adequate sealift assets are available to our military forces. Together, the Department of Defense and the Department of Transportation are assembling an agenda of programs and actions to ensure the adequacy of our sealift forces in the years ahead.

Department of the Navy Infrastructure Ashore

Our priorities in people, readiness, and force balance are reflected in our program of infrastructure. Within budget constraints, we have supported essential upgrades in government-provided family housing, child care, and quality of life for our Sailors and Marines.

The FY 1991 program supports the base realignment and closure actions recommended last year by the Base Realignment and Closure Commission, and initiates new actions to close the following activities:

Detroit Naval Air Facility, Michigan
South Weymouth Naval Air Station, Massachusetts
Nea Makri Naval Communications Station, Greece
San Miguel Naval Communications Station, Philippines
Partial drawdown of forces at Bermuda Naval Air Station

The size and extent of the Department of the Navy's infrastructure, the labs, shipyards, testing and maintenance facilities, air stations, and home ports that support the Fleet, is driven by the requirements of the Fleet and the Fleet Marine Forces. Should further reductions be necessary in the Department of the Navy's force structure, there must occur commensurate decreases in overhead costs, including the consolidation or closure of some supporting facilities ashore.

In each case, the Department of the Navy will initiate the necessary supporting actions required by law, such as environmental impact statements, and for the evaluations covering fiscal, local economic, budgetary, environmental, strategic, and operational factors. We intend to take every possible step to alleviate the economic hardship and personnel turbulence of any necessary base closures.

Environmental Action

Secretary Cheney recently expressed his desire for the Department of Defense to be the Federal leader in environmental compliance and protection. The Department of the Navy's establishment of a new Assistant Secretary of the Navy for Installations and Environment reflects its commitment to environmental protection, and its goal to be the leader in the Department of Defense.

Navy environmental protection policy has been in place since the early 1970s, and has been strengthened by increasing integration of environmental considerations into budget and operational planning. To date, over $2 billion has been expended to comply with changing and even increasing legal requirements. Annual program budgets now exceed $350 million for FY 1990. These efforts have had concrete results. The Fleet today is equipped to transfer shipboard sewage pier-side while in port. Shipboard discharge of oil at sea is becoming a rarity as separators are installed, and other overboard discharges are under rigid controls. Plastics discharges at sea have been reduced 70 percent over the past year.

Ashore, excellent progress has been made in air pollution abatement, the treatment of industrial waste, and the reduction of hazardous waste. For past hazardous waste disposal sites a Navy-wide program is in place, funded under the Defense Environmental Restoration Account which has identified over 2000 sites at more than 200 installations. Investigations which will lead to remedial actions or cleanups are currently in progress at these sites.

Future, more stringent regulations will require even better shipboard pollution control systems as emissions at sea are restricted even further. As landfills reach capacity, waste reduction and recycling will expand in its importance. New restrictions, such as to chlorofluorocarbon use, must be anticipated through new equipment design. Our stewardship, of the seas and the land we hold in public trust, is the surest way to maintain access to the air, land, and water we need to accomplish our missions.

V. Managing the Department of the Navy

In-house and contracted Department of the Navy activities include laboratories, testing facilities, manufacturing, inventory management, repair, and most important, worldwide military forces operating in support of national security interests. An expert group of Navy and Marine Corps managers execute over three million contract actions each year, with a value over $55 billion. This makes the Department of the Navy one of the largest research, engineering and production enterprises in the United States.

Many difficult acquisition decisions lie ahead, and we must be willing to revisit prior-year decisions if underlying factors such as budgets and procurement quantities change. While sound business practices must govern our decisions, each case must be evaluated on its own merit. There are many factors which must be weighed, including efficient production rates, the advantages of multi-year procurement, the benefits of competition, and the critical need to maintain the viability of a core industrial base.

Defense Management Review

The Secretary of Defense has approved the Department of the Navy's plans for initial implementation of the Defense Management Report. These Plans prescribe a combination of initiatives which will consolidate and clarify oversight authority, enhance decision authority and accountability of program managers and their direct supervisors, reduce cost, and otherwise improve the Department's acquisition system.

The New Department of the Navy Acquisition Organization

The Department of the Navy will consolidate and streamline top-level oversight of the acquisition process by establishing a new Assistant Secretary of Research, Development and Acquisition [ASN(RD&A)]. The ASN(RD&A) will be responsible for all aspects of research, development, acquisition, and information resources management, consolidating in one office many responsibilities previously divided among the Assistant Secretaries for Shipbuilding and Logistics; Research, Engineering and Systems; and Financial Management. The ASN(RD&A) will be designated the Navy Acquisition Executive, Senior Procurement Executive, and Information Resource Management Official. The Assistant Secretary of the Navy for Installations and Environment [ASN(I&E)], also a new position, will have policy and oversight responsibility for Navy and Marine Corps installations, environmental affairs, safety, and shore resources management, strengthening top-level focus on these critical areas.

The Department of the Navy will also substantially reorganize its acquisition management structure below the Secretariat. Seven Program Executive Officers (PEOs) will be established separately from existing Navy and Marine Corps weapons acquisition commands as key middle managers for major acquisition programs. Each will report solely and directly to the ASN(RD&A) on all matters concerning cost, schedule, and performance regarding assigned programs. Moreover, three existing Program Managers will also report directly to the ASN(RD&A), rather than through a Systems Command. The plan provides for transfer of a total of 78 major and associated programs to these PEOs and Direct Reporting Program Managers, programs which were valued at more than $19 billion in the President's FY 1990 budget.

Existing Navy and Marine Corps Commands with weapons systems acquisition missions will retain management responsibility for all programs not assigned to PEOs and Direct Reporting Program Managers, and will furnish matrix engineering, contracting, legal and other support to PEOs and Direct Reporting Program Managers. Navy Commands will also retain logistics support responsibilities for all programs. Life cycle management of Marine Corps systems will continue to be performed by the Commander of Marine Corps Logistics Base, Albany.

In reorganizing the Secretariat and the acquisition management structure, the role of support staff, both at the secretariat level and in subordinate commands, will be refocused to ensure that decision authority and accountability is vested in line managers and is exercised at the lowest appropriate level. This approach, together with opportunities flowing from consolidation of previously divided responsibilities, will reduce the Secretariat staff engaged in review and oversight of acquisition matters by more than 20 percent. Reductions associated with streamlining the decision process in existing weapon system acquisition commands will be identified as the decision process is reviewed and changed.

Department of the Navy
Management Initiatives

- **Improved efficiency of operations at Navy Industrial Fund activities, including shipyards, aviation depots, and research and engineering laboratories.**
- **Increased competition in areas not historically subject to competition, including breakout and competition of avionics on new procurement aircraft which had historically been procured as sole source by the prime contractors, and competition between public and private concerns for the repair of ship and aircraft components.**
- **Large lot procurement of naval ships, to permit savings in the purchase of contractor and government furnished material and improved coordination of the shipbuilders' production workforce.**
- **Ten separate Computer Aided Logistic Support(CALS) initiatives, to improve and reduce the cost of development, maintenance, and dissemination of logistic and design data. For example, print-on-demand output of complete bid packages, accurately incorporating required technical information, at Inventory Control Points, Supply Centers, and Regional Contracting Centers will reduce procurement lead-time and increase competition.**

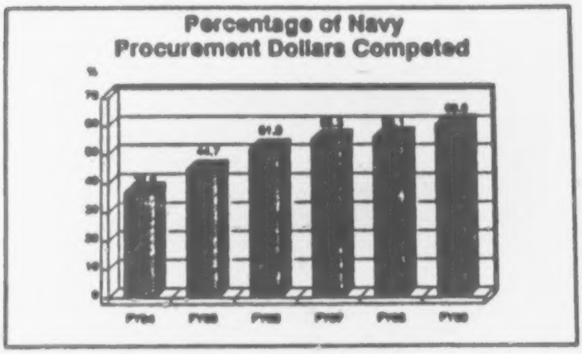
The Navy will also make substantial changes in the Material Professional program through which its surface, aviation and submarine officers are selected for key senior acquisition assignments. Such officers will be selected much earlier in their careers, and will be managed intensively through graduate education, acquisition assignments ashore, and acquisition-related operational tours to ensure ample experience and expertise prior to assignment to key acquisition positions. The Marine Corps will make similar enhancements in its Acquisition Management Officer program. The Civilian Material Professional program will also be substantially strengthened to develop civilian acquisition professionals for key assignments, including as major Program Managers and PEOs.

In addition, the Navy has undertaken to establish a comprehensive education program, stemming from the Packard Commission Report, directed at program management, financial, and technical personnel. The subject matter includes the technical disciplines and processes involved in design, production, logistics, management, and facilities, utilizing a series of technical reference guides developed specially for the program.

Finally, the Department of the Navy has moved aggressively to identify cost savings initiatives flowing from implementation of the Defense Management Report. Many of these initiatives are coordinated DOD-wide undertakings, including reductions to supply systems operating costs, better accounting and control of government furnished material provided to prime contractors, civilianization of support positions not required to be filled by military personnel, and standardization of ADP systems.

Competition

Competition remains the most effective strategy for program management. With strong leadership and support of top management, acquisition professionals throughout the Department of the Navy have incorporated competitive acquisition as a fundamental tool in their program development.



The FY 1989 final competition statistics reflect the results of this commitment. The percentage of procurement dollars competed increased in FY 1989 for the eighth consecutive year, to an all time high of 60.6 percent. The percentage of contract actions awarded competitively reached a total of 89.6 percent. In terms of dollars, we have increased from $9.4 billion in FY 1982 to $26.9 billion in FY 1989, a $17.5 billion increase. As a percentage of procurement dollars, our FY 1990 goal is a challenging 61 percent.

Over the past five years, the investment made in implementing dual sourcing strategies has resulted in significant cost savings. For example, introducing competition in 1986 in the Standard Missile Guidance, Control, and Autopilot program yielded a price reduction of 35 percent and a projected savings of $360 million over the next five years. The $110 million start-up cost will be recovered more than threefold during that period.

Our experience shows clearly that a competitive marketplace delivers high quality products at fair prices. Competition eliminates the need for time-consuming and costly audits and evaluations. More important, the industry incentive to improve manufacturing capabilities results in increased productivity and quality.

We look to the future with a high degree of confidence that the application of our acquisition strategies will continue to produce meaningful savings. Competition can be employed to enhance innovation, quality, supplier responsiveness, and price consciousness. The demands of a declining budget will require careful analysis of the market forces at work in each procurement action. We must examine how these forces can best be applied to benefit both industry and government. We are sensitive to the impact of competition on our industrial base and on industry's investment in research and development. Our goal is a sound business environment supporting sound defense acquisition programs.

Quality Focused Management

Quality Focused Management is the Department of the Navy's strategy for improving quality and reducing costs and acquisition time. The Under Secretary of the Navy is the focal point for this over-arching effort, encompassing initiatives in acquisition streamlining, value engineering, non-developmental items, productivity improvement, specifications and standards, and Computer-aided Acquisition and Logistics Support (CALS). The primary tools of Quality Focused Management are continuous process improvement, quantitative methods, customer focus, and total employee involvement.

Focusing on Quality saves money. In FY 1989, these initiatives yielded savings and cost avoidance of $2.21 billion. Examples of acquisition streamlining benefits include the Navy's Advanced Tactical Fighter engine program which avoided costs of $1.22 billion and the ES-3A avionics program which avoided costs of more than $553 million. Thirteen months were cut from the procurement lead time for the Engineering Drawing Management Information and Control System. Value engineering for additional capability and quality saved more than $278 million in FY 1989, with follow-on savings potential through FY 1990 of $140 million.

The Navy also has the lead in the Department of Defense Third Party Certification Program. This is a project to reduce redundant audits of contractors by providing a reliable, objective manufacturing assessment by a nationally recognized certifying body. Industry has identified a potential cost avoidance of $586 million for microcircuits alone.

As a part of the Navy's acquisition strategy and integral to the concept of Quality Focused Management, the Navy will continue to place emphasis on the Manufacturing Technology Program (MANTECH) and strive to take more advantage of the Industrial Modernization Incentives Program (IMIP). These are cooperative programs with industry aimed at improving the productivity and responsiveness of the industrial base while reducing the cost of weapon systems. The MANTECH program has saved $1.2 billion to date and IMIP projects have saved close to $1 billion.

By using off-the-shelf alternatives to government specifications, we can avoid excess design costs and take advantage of commercial standards. In FY 1989, such non-developmental items were used in many programs, including the P-3C Infra-Red Detection System Recorder and the Tomahawk Block III missile.

Computer-Aided Acquisition and Logistics Support, or CALS, is a technique of using computer technology, rather than paper, to support design, manufacturing, and administrative work loads. We are leading a Department of Defense effort to use CALS to cut costs and add flexibility to several programs, including the new A-12 Advanced Tactical Aircraft, the Navy Advanced Tactical Fighter, the MK 50 torpedo, the Stratified Charge Rotary Engine, and the new underwater acoustic Fixed Distribution System.

Training our managers, engineers, technicians, and contracting personnel in ways to benefit from these initiatives is key to further improvement in the acquisition process. The Department of the Navy has trained more than 8500 personnel in these initiatives to date. FY 1989 training included more than 950 people schooled in acquisition streamlining, and more than 960 in the concepts of value engineering. Our experience shows that this training is paying off in terms of efficiency and combat effectiveness. Further, we are educating, in a structured manner, select members of the Navy and Marine Corps commands and senior Department of the Navy executives in the concepts of Quality Focused Management. To date we have trained more than 33,000 people in this area. We are developing follow-on training in the "tools" of Quality Focused Management and how they work.

Conclusion

Today's volunteer professional Sailors and Marines are proud to serve in a revitalized, globally deployed Fleet and Fleet Marine Force, extending the horizons of peace and freedom. All of our men and women, uniformed and civilian alike, are honored to have contributed to the United States strength and resolve that has fostered the peaceful and dramatic events of 1989.

At the same time, we know from experience that uncertainties and dangers remain. The United States is an island nation, dependent upon the seas for our links to our allies, friends, and trading partners. Our national security will continue to require a strong, reliable strategic deterrent, sea control, and the ability to project power across the world's oceans. As we decide how to structure our defense for the future, we should consider the flexibility and deterrent value of each purchase, favoring those which will have an enduring capacity to respond to the widest variety of likely contingencies.

Our first priority is to retain the professional quality of our people. Their skill and willingness to make personal sacrifices are keys to the success of our investments in technology, force structure, and readiness. They look to us for a fair quality of life, and to provide them with the training and equipment to defend our nation.

The FY 1991 budget will meet our responsibilities to support a proven strategy of deterrence, forward defense, and prompt worldwide crisis response as we enter an era of rapid, and often unpredictable changes in world affairs. The budget reflects a plan that is balanced and affordable. It is worthy of your support.

BIOGRAPHICAL SKETCH

On 13 April 1989, President Bush nominated H. Lawrence Garrett, III, to be the Secretary of the Navy. Mr. Garrett was confirmed by the Senate on 12 May 1989 and took the oath of Office on 15 May 1989, becoming the 68th Secretary of the Navy.

Mr. Garrett was born 24 June 1939 in Washington, D. C., and raised in Miami, Florida. He enlisted in the United States Navy in October 1961 and subsequently qualified in submarines as a machinist's mate. Mr. Garrett was commissioned in April 1964 upon completion of flight training, serving as a Naval Flight Officer aboard maritime patrol aircraft. Subsequently, he completed operational tours in VP-50 including deployments in Vietnam.

In 1972 he transferred to the Judge Advocate General's Corps, where he rose to the rank of Commander. He served from 1974 to 1978 as Force Judge Advocate/Legal Advisor to the Commander, Submarine Forces, U. S. Pacific Fleet, Pearl Harbor, Hawaii. In January 1979, while serving in the Office of Civil Law in the Washington, D.C. office of the JAG, he was detailed to assist in developing the Federal regulations pertaining to the Ethics in Government Act of 1978. In February 1981, he was detailed to the White House as Assistant Counsel in the Office of Counsel to the President. He retired from the Navy in 1981.

Subsequently, Mr. Garrett was Executive Assistant to the President and Chief Operating Officer of the U. S. Synthetic Fuels Corporation. In 1983 he returned to the White House as Associate Counsel to the President of the United States. Mr. Garrett served as General Counsel of the Department of Defense from February 1986 to August 1987. Prior to his appointment as Secretary, Mr. Garrett served as Under Secretary of the Navy from 6 August 1987.

Mr. Garrett earned a B.S. degree in Business Management from the University of West Florida in Pensacola, and received his J.D. Degree from University of San Diego School of Law, San Diego, California, graduating cum laude.

A member of the California and District of Columbia Bars, he is licensed to practice before the United States Supreme Court, the Supreme Court of California, and District of Columbia Court of Appeals, U.S. Court of Military Appeals, and the U.S. District Court for the Southern District of California.

Mr. Garrett is married to the former Marilyn K. Bender of San Diego. They reside in Oakton, Virginia. They have two children, H. Lawrence Garrett, IV and Mrs. Juliana Relihan.

STATEMENT OF ADM. CARLISLE A.H. TROST, CHIEF OF NAVAL OPERATIONS, U.S. NAVY

SYNOPSIS OF STATEMENT

Senator INOUYE. Admiral Trost?

Admiral TROST. Thank you, Mr. Chairman. I appreciate the opportunity to amplify somewhat the remarks of Secretary Garrett. The three of us at this table are pleased and privileged to be leading a very strong and ready Navy-Marine Corps team.

We can say that because we have worked hard and we have had good support from the Congress and the administration over this past decade in supporting our need to modernize and build the necessary capability to support our national defense requirements.

I was also pleased to see that, by and large, over the years the citizens of this country have unselfishly accepted the responsibilities of world leadership which were thrust upon us after World War II and which we have carried out with the continuing recognition that this Nation relies on the sea for prosperity and for our security.

Secretary Garrett spoke of challenges. We do indeed have remarkable challenges confronting us in this world where we see a continuing back drop of rapidly changing political and military uncertainty.

SOVIET UNION A PRACTICAL REALITY

As we look to the future we have no option but to turn first to a look at the Soviet Union—not out of habit, but out of practical reality, and I would like to amplify that comment.

I had the opportunity last October to visit the Soviet Union as the first of the United States service chiefs to engage in the exchange of senior level visits between the two countries. I did, indeed, observe a country that has enormous economic problems.

I met with a number of their leaders, many civilians and their senior military leadership, and all seemed genuinely committed and understanding of the need to improve the quality of life for the Soviet citizenship.

They also seemed to realize that reducing their historically massive military expenditures is essential if they are to succeed, but I would have to say that nobody volunteered a cut in his specific area.

However, to assume that their actions will result in a democratic system with inherent values of freedom such as we enjoy here, would be clearly premature.

I was also given an opportunity to visit a number of their ships, including one of their front-line submarines, and to view several of their front-line aircraft, specifically the Mig-29 fighter and the Backfire bomber.

SOVIET NAVY

What I saw was a navy whose capability clearly far exceeds any reasonable requirement to defend the Soviet homeland or to defend its limited overseas interests.

I did see firsthand examples of robust building programs that in the past few years have produced exceptionally capable submarines, surface ships, and aircraft. Since my visit in October, the Soviet navy's first large-deck aircraft carrier has conducted sea trials complete with operating three types of front-line fighter and attack aircraft from its flight deck.

We have to view the highly publicized reductions in Soviet fleet units for exactly what they are, an economic reality which dictates retirement of old, obsolete ships and submarines that are of no further military value.

In short, the Soviet Union is reducing quantities in naval forces in order to emphasize individual unit capability. It is that composite capability of modern submarines, surface combatants, and sea- and land-based aircraft that our military forces must be ready to meet.

Military capability must be the first yardstick for taking measure of any potential adversary. To do otherwise would be a reckless course fraught with danger.

Having said that, I am encouraged by the statements and the actions which indicate that Soviet leaders intend to restructure their military into a more defensively oriented force.

Therefore, I believe we can, in fact, tolerate a moderate increase in the acceptable level of risk in planning our own force levels and our operational deployments.

SOPHISTICATED WEAPONS AVAILABLE ON OPEN MARKET

As Secretary Garrett has already noted, elsewhere in the world we are less encouraged by what we see. We see a proliferation of First World weapons among Third World nations. Countries that have saleable resources can buy sophisticated weapons on the open market or they can develop technology to build delivery systems and warheads themselves.

This reality threatens American lives. It threatens American property and our crucial economic interests abroad. It poses a threat to regional stability in areas of the world where the United States is increasingly dependent on imports of oil and other strategic minerals, and is similarly dependent on overseas markets for export of our manufactured goods and our agricultural products.

The Navy we have today, we feel, is the right Navy for meeting the assuredly uncertain challenge posed by the Soviet Union as well as the clearly growing challenge posed elsewhere around the world.

The fundamental premise of our strategy—forward deployed, flexible, and sustainable forces—remains as valid today as it has been at any time in the past. An absence of forward-deployed forces in regions of vital interest would send a signal of uncertainty to our friends, to our allies, as well as to any potential adversaries. Some would surely question U.S. commitment to maintaining mutually beneficial regional stability.

NAVAL ROLE IN PEACE AND STABILITY

The history of using forward-deployed naval forces to support the national policy objectives of peace and stability speaks for itself. As

I have said so often, just in the decades of the 1980's, the President of the United States called on naval forces no less than 50 times to intervene in conflict, contain aggression, deter by overt presence, and rescue or protect American lives and property.

Being ready to respond, being a credible deterrent, means operating, and operating with proven regularity. A navy that is not ready, or is not on station, is not useful.

In planning and budgeting we also have to keep in mind that a navy is a capital intensive organization. It takes a long time to design and to build a ship. Our investments today in phased replacement of aircraft carriers, construction of the DDG-51 battle force combatant, and the SSN-21 Seawolf submarine will ensure that there is no lapse in our capabilities.

The qualitative improvement in these systems, in our new aircraft, and in other platforms, should allow us to satisfy our current requirements with somewhat fewer forces; however, once again, we cannot lose sight of the underlying fact that a ship or airplane regardless of its capability can still only be in one place at one time.

PERSONNEL KEY TO NAVY'S STRENGTH

I intend to continue to focus on ensuring that we have a proper balance of units versus commitment. A mismatch in this respect has an adverse and immediate impact on our most precious resource, our people, who are the true measure of our Navy's strength.

They have proven themselves in combat. They have shown that they have what it takes to operate in the harsh environment of the sea, and they have also shown their willingness to make tremendous personal sacrifices in long deployments from home. That willingness, however, has a limit.

Secretary Garrett and I are committed to ensuring that the quality of life for our men and women in uniform remains our top priority.

Finally, given the remarkable changes that we witness almost daily, and as we attempt to assess their impact on world stability, one could outline a broad spectrum of possible scenarios of what the future holds.

However, across that spectrum there is a thread of continuity, and that is this country's reliance on the sea. Our future security and our prosperity depend on sound decisions which we have to make today, decisions made with our eyes wide open, decisions which should lead to the maintenance of a strong and healthy Navy.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you, Admiral.

[The statement follows:]

STATEMENT OF ADM. CARLISLE A.H. TROST

THE STRATEGIC PICTURE -- CHANGE AND CONTINUITY

The world is experiencing breathtaking changes. Power relationships that seemed firm yesterday are changed today. We face a new strategic era and a new strategic environment. To a great extent, geopolitical prospects in Europe are ones that we have long sought -- democratization of Eastern Europe and a reduced Soviet presence on NATO's doorstep.

Perhaps we are at the end of the Cold War, however, this does not mean the end of political, ideological, diplomatic, economic, technological or even military rivalry among nations. It does not mean the end of competitiveness. It does not mean the end of the struggle for power and influence. It may well mean increased instability, unpredictability and violence.

While it is true that the Soviet Union remains a formidable military power, it is also true that it is preoccupied with internal reform and appears genuinely committed to a peaceful and friendly relationship with the United States. As the Soviet Union struggles to improve its faltering economy and quality of life for its citizens, the willingness and desire of its leaders to engage in aggressive destabilizing foreign affairs may wane.

It is important to remember that the "Cold" War has been waged on ideological and economic grounds, underwritten by military power. There is no question that, on the basis of political and economic philosophies, democracy and the free market system have triumphed.

The military facet of this competition has not disappeared, however. Besides their own substantial military capabilities, it is clear that the Soviets remain interested in playing a major role in the Third World, but their ability to participate in any meaningful way is limited to their ability to provide one kind of dependable aid -- weapons and military equipment. Whatever course Mr. Gorbachev's reforms take, even should they result in a truly democratic and pluralistic society, the Soviet Union, because of her geostrategic dominance of the Eurasian land mass and latent military power, will remain a power with which we must reckon.

This point was especially brought home to me during my visit to the Soviet Union in October 1989. One cannot visit that country and fail to come away with a high regard for the resilience of its people in the face of enormous difficulties. What the visitor also develops is a healthy respect for the immensity of the Soviet Union and the sheer will of the Soviet Union to retain its position as a global superpower.

It is worthwhile to note that the geostrategic differences between the Soviet Union and United States have led to strategic disingenuousness on the part of the Soviets. They claim our forward naval deployments are offensive and fail to account for their new defensive doctrine. This public argument neatly fails to recognize that many of our most vital interests are across oceans which surround Eurasia and the Soviet Union. Our European allies are overseas, our key trading partners in Asia are overseas and major sources of oil in Alaska and the Middle East are overseas. Our important Asian allies are overseas. We can not sacrifice either the security or interests of friends who share the Eurasian landmass with the Soviets in order to make the Soviets feel "more secure," particularly since it is clear that the West does not possess the military capability to pose a credible conventional threat to the Soviet homeland.

This is geographic and strategic reality. Maritime forces as well as overseas bases that support land based air forces (both Navy and Air Force) are required to defend interests. These bases, some of which we have maintained since the 19th century, are on the periphery of the Soviet Union because that is where our friends and interests reside -- not because we intend to attack the Soviet Union. Were we to withdraw from this posture, we would destabilize much of the world, leaving friends and allies to fend for themselves.

THE SOVIET NAVY -- THE CAPABILITY WE CAN NOT IGNORE

The Soviet Navy is modernizing and improving its capabilities. They continue with a robust aircraft carrier construction program. The TBILISI is conducting sea trials and has conducted flight operations with three different models of front line Soviet aircraft. Construction is ongoing on a second TBILISI class carrier, RIGA, as well as the lead ship of a larger follow-on carrier, ULYANOVSK. Both of these ships are scheduled for commissioning this decade. Their 1989 submarine construction rate matched their 1988 rate -- nine ships -- and double United States' production. I do not want to dwell simply on numbers, however. To me, the most interesting and potentially troublesome facet of current Soviet naval developments is that they have adopted our philosophy and are willing to sacrifice quantity in order to emphasize individual unit capability. My greatest concern is in the qualitative improvements being made. I have been aboard some of their newest classes of warships and can assure you that the Soviets are clearly building a better Navy.

Their competitive strategy is clear. It is to improve the quality of their fleet, incorporating new systems; while negotiating for reductions in U.S. naval capability. They are maintaining an extensive and impressive R&D program, while living within fiscal constraints by cutting operating costs, scrapping obsolete units and, where necessary, slowing introduction of new systems.

LOW INTENSITY CONFLICT -- THE MOST LIKELY THREAT

While we intend to keep a weather eye on Soviet naval developments, it is clear that the most probable threat will continue to be in the developing world. A few years ago the Navy coined the term "violent peace" to describe the circumstances in which naval forces have operated since the end of the Korean conflict. Our country, while officially at peace, was continuously confronted with situations such as terrorism, regional conflict, threats to U.S. citizens -- that required military responses. More often than not, these responses involved naval forces. The waning of the Cold War has not changed this reality. Third World problems that have vexed national decision-makers since 1945 remain. What has happened, however, is a refocusing of the national defense debate from the receding Soviet threat to the problems associated with keeping stability in an era of violent peace.

There are many regions of the world where the probability for conflict is high. Rising populations, nationalist movements, terrorism, religious zealotry and struggles for control of crucial resources all fuel regional wars and antagonisms.

There was a time when conflict in developing countries conjured a vision of simple, low-tech warfare that would not require sophisticated weapons. That time has passed. Today, around the globe, developing countries are armed with "First World" weapons. Proliferation of chemical weapons, growing access to nuclear weapons capability, and proliferation of cruise and ballistic missiles, submarines and high-performance tactical aircraft mean that virtually any nation or group of terrorists can bring capable and deadly weapons to bear.

Because naval forces have been continuously involved in responding to crises, I am particularly concerned about easily operated, high-technology weapons proliferation throughout the world. This adds a most difficult and dangerous dimension to the missions of peacekeeping and conflict containment. As countries become more independent from traditional power centers and as the world becomes more multipolar, commercial relationships with a wide variety of arms suppliers will ensure a world armed with an assortment of sophisticated and lethal weapons, specifically (excluding the United States and the Soviet Union):

- 102 countries worldwide now have cruise missiles; by the year 2000 at least 15 countries will be producing their own ballistic missiles
- 41 countries worldwide now have naval mining capability
- 14 countries worldwide now have chemical weapons; 11 suspected developing
- 3 countries worldwide now have bacteriological weapons; 15 suspected developing
- 40 countries worldwide now are arms producers
- 41 countries worldwide now have diesel attack submarines; in the third world alone, there are nearly 250 diesel submarines.

These factors, combined with a history of violent relations and mistrust between such countries as India and Pakistan, Egypt and Libya, Syria and Israel, North and South Korea, Iran and Iraq, Cambodia and Vietnam, make the prospects for continued violence high. The nuclear race on the South Asian subcontinent is particularly worrisome. Regional conflicts will be increasingly deadly because of the availability of weapons of mass destruction and the demonstrated willingness of at least some belligerents to violate long standing taboos against their use. Space launch vehicles, for example, under development in Iraq, Brazil, India, Pakistan, Taiwan, Israel, Japan and Argentina, can easily be transformed into long-range land-attack missiles. High technology weapons proliferation is a serious threat that requires defenses of equal or better sophistication and capability.

The fundamental defense issue for the United States in the foreseeable future is to maintain a military posture that protects our interests and those of our allies from a diversity of regional threats, while also maintaining a credible deterrent posture vis-a-vis the Soviet Union. It is clear that we must have the capability to respond in a flexible and calibrated manner. As a nation we should never be forced to act hesitantly or rashly because of a limitation of means. Where the potential for interruption of necessary resources occurs, or where the safety of American citizens is involved, or when regional stability is dependent on an American presence, maritime forces will be needed.

The inherently deployable Navy/Marine Corps team is of unique value to the nation. The mobility, staying power, long reach and ability of naval forces to influence events ashore, because of sea-based air-power, cruise missiles and amphibious assault capability, contribute to East-West deterrence while simultaneously being the most diverse and flexible force for presence and regional response.

RESPONDING TO CRISES -- THE VALUE OF SEA-BASED FORCES

It is not a coincidence that naval forces have been the most acceptable form of military presence and response in crisis situations. They convey calculated ambiguity and calibrated response. At the same time, their presence on the high seas does not irrevocably commit the United States to a given course of action. They are deployable, can remain indefinitely in the region, off shore, over the horizon, unseen but not forgotten, ready to operate at varying orders of magnitude. They complicate the calculations of parties opposing our interests. Naval forces have provided this kind of effective crisis response throughout the nation's history, and most particularly since 1945. We are well practiced veterans of this type of employment.

During the 1980s, naval forces were called upon to act in our nation's behest no fewer than fifty times. It is illuminating to list some representative occasions from the past few years, as a reminder of how commonplace it has become for naval forces to be the leading edge of national response when our interests are threatened overseas. Some representative examples include:

March 1986: In response to Libyan SA-5 missile attacks on U.S. aircraft, USS AMERICA and USS CORAL SEA carrier battle groups' aircraft destroyed two Libyan missile patrol boats.

April 1986: After the bombing of the La Belle discotheque, aircraft from USS CORAL SEA and USS AMERICA carrier battle groups, with Air Force FB-111s from the UK, conducted strike operations against targets in Libya.

January 1987: USS KITTY HAWK carrier battle group transiting to the Mediterranean was detained in the Northern Arabian Sea in response to the Iranian installation of Silkworm missiles in the vicinity of the Straits of Hormuz.

July 1987: USS CONSTELLATION carrier battle group was ordered to the North Arabian Sea to support the escort of reflagged tankers transiting the Arabian Gulf during the Iran-Iraq War.

September 1987: The frigate USS JARRETT captured an Iranian vessel laying mines in the Arabian Gulf.

October 1987: USS RANGER and USS MISSOURI battle group ships, in concert with U.S. Navy units of the Middle East Force, destroyed three Iranian oil drilling platforms.

January 1988: Because of internal political instability and a military coup, Amphibious Ready Group/Marine Expeditionary Unit was positioned off the coast of Haiti, prepared to evacuate personnel/refugees.

April 1988: USS ENTERPRISE carrier battle group surface combatants and aircraft, in concert with U.S. Navy units of the Middle East Force, destroyed Iranian naval units in retaliation for the mining of USS SAMUEL B. ROBERTS.

September 1988: To guarantee stability, USS NIMITZ and USS MIDWAY carrier battle groups were on station off Korea during the Olympic Games.

February 1989: Amphibious Ready Group/Marine Expeditionary Unit moved to the Eastern Mediterranean and Lebanon following a missile attack on the U.S. Ambassador's residence.

June 1989: Fast sealift ships transported Army personnel and equipment to the Panama Canal in response to the unstable political situation and assault on opposition party candidates.

August 1989: USS CORAL SEA, and USS IOWA battle groups were stationed off Lebanon; USS AMERICA returned to North Arabian Sea; USS RANGER and USS FORRESTAL prepared for contingency operations, all in response to the murder of Lieutenant Colonel Higgins and threats to other hostages.

AIR SUPERIORITY -- THE CRUCIAL INGREDIENT

Positioned off shore, often out of sight, the aircraft carrier battle group is capable of providing the right amount of force at the proper time because the carrier brings tactical air power to the scene. It is the embarked air wing, a self-contained package of all required aircraft types, easily tailored to suit the particular situation, that makes the carrier especially valuable to decision makers. It provides them with a credible, well-trained and ready force with which to influence events, a force which can be sustained indefinitely on station.

With 80-86 embarked aircraft, the carrier is able to exercise caution and restraint when necessary or mount a major anti-ground or anti-sea strike if called upon. In peacetime, possessing a task-tailored mix of air-to-air fighter, ground-attack, early warning, electronic counter-measures and anti-submarine aircraft, naval tactical air power provides quick response, independence, flexibility, escalation control, and continual, long-range on-station surveillance while in international waters.

THE U.S. NAVY IN 1989

The August 1989 marshalling of naval forces off Lebanon is only the most recent example of the often repeated story that, when a crisis breaks out, the first question is "Where are the carriers and when can they be on the scene?" The operation illustrates the flexibility and depth of capability provided to our national decision-makers by naval forces. Four carrier battle groups and one battleship were on call. USS CORAL SEA and USS IOWA battle groups were both on-station in the Mediterranean and ready for whatever the President deemed was the appropriate and desirable action. Meanwhile, in the Indian ocean, USS AMERICA was ordered to return to the North Arabian Sea. Enroute to California, USS RANGER was delayed and positioned for a contingency return to the North Arabian Sea; USS FORRESTAL prepared for possible contingency operations during an on-going exercise in the Caribbean.

This single operation demonstrates the ability of naval warships -- carriers, battleships, surface combatants, submarines, amphibious ships -- to move on short notice and provide a reaction force capable of responding on a wide scale. Naval forces were fully ready. Aircraft, cruise missiles, 16 inch shells from a battleship, combat ready troops, and submarine surveillance were all available. As a consequence, our decision-makers had in hand the essential tools for the development of their policies: flexibility of action, immediate availability of resources, diversity of capability, and ambiguity of intent until a decision was made. Importantly, the world and all the interested parties were aware of the marshalling of forces even while the decision process evolved. Naval forces were and are politically and strategically mobile.

In addition to these traditional missions, the Navy will play a key role in the expanding contribution by the Department of Defense in the fight against illegal drugs. Plans developed by CINCLANT AND CINCPAC involve the employment of naval forces, both active and reserve, including carrier battle groups, major amphibious ships and aircraft, operating in international waters. Their mission will be surveillance, identification and, in conjunction with law enforcement agencies and especially the United States Coast Guard, apprehension of drug traffickers.

Finally, the mobility of naval forces contributes to our ability to respond when ecological disasters occur. In the aftermath of the massive oil spill off Valdez, Alaska, the U.S. Navy provided essential logistical assistance during the cleanup effort. Amphibious ships -- for command and control and berthing of cleanup crews -- were maintained on-station for six months. Most of the oil skimmers, towboats, oil containment booms, landing craft and communications vans were provided by the Navy. Some of these same assets were recently employed to assist in the cleanup of the Huntington Beach oil spill.

This same mobility and the self-sufficient nature of naval ships make them valued sources of relief when natural disaster strikes. In September 1989, U.S. Navy ships were promptly on the scene providing electric power, fresh water and volunteer assistance at St. Croix, Puerto Rico and Charleston following Hurricane Hugo. In October 1989, naval forces again provided rescue, vital utilities, medical assistance and volunteer manpower in the aftermath of the Oakland-San Francisco Bay area earthquake.

SOME OBSERVATIONS ON RECENT NAVAL OPERATIONS

As I consider the challenges faced by the United States and by naval forces in support of our nation's goals and objectives during these last four years, several lessons and trends are noteworthy.

In the majority of contingencies naval forces were called upon to represent national interests, Western resolve, democratic principles and regional stability in areas far removed from the United States, overseas bases or traditional European locations. Moreover, many of these contingencies were not anticipated. Nonetheless, because of the forward presence of our naval forces in unstable regions we have been able to provide the President a range of policy options for virtually every contingency. This is an important consideration. It is not possible to anticipate every conceivable contingency because of the volatility throughout the world. The solution is not to create a library of contingency plans for every conceivable situation. Rather, in those regions of greatest importance to the country we should maintain forces with the widest range of military capability so that they can be immediately employed. Our forward deployed carrier battle groups and amphibious task forces provide that wide range of military capability.

Of equal significance, naval operations throughout the world have resulted in development of unprecedented coalitions of nations with maritime interests in regions such as the Mediterranean, Western Pacific and Southwest Asia. In the Persian Gulf, thanks to United States leadership, several of our NATO allies, Saudi Arabia and Kuwait joined forces to protect maritime interests. Freedom of navigation was successfully defended when challenged by Iran.

The United States will continue to be expected to provide leadership as the principal naval power in the world. A modern, responsive, mobile, flexible and technologically advanced maritime coalition is clearly a capability that our friends and allies have found to fit the new geostrategic realities well. It is a natural and quite logical fallout of the world's increasing interdependence which is based upon the sea.

A final observation is the importance of our sea-based forces to assemble for action without depending upon bases in other nations. This inherent trait often permits the luxury of being insulated from policy vicissitudes on base and overflight rights, providing more latitude for policy development and negotiations.

Naval forces help make it possible to weather shifts in political winds as well as respect the sovereign self-determination of other nations' desires without needlessly sacrificing our own vital interests. The relative autonomy of sea-going forces will continue to be an important factor in support of American and allied interests.

WHAT KIND OF NAVY DO WE NEED?

To successfully support U.S. policy, naval forces must: (1) be able to fight a war effectively, regardless of scale, (2) be able to operate jointly with our sister services and allied navies, (3) have the striking power to affect events at sea and ashore, (4) have local superiority over potential adversaries, (5) be sufficiently large in numbers and capability to permit simultaneous coverage of different crisis areas, (6) be able to respond and defend against sudden attack and (7) be able to employ offensive electronic warfare to disrupt an opponent's effectiveness.

The ships we build today will be in the fleet for the next 30 to 40 years. Forecasting the threat environment for the year 2020 is at best an imprecise art. We can forecast, however, broad trends of that environment and build ships and aircraft such as ARLEIGH BURKE Class destroyer, the SEAWOLF Class submarine, and the A-12 all-weather attack aircraft, that are able to deal with the widest range of plausible future threats. As we look toward that future, it is clear that such a Navy must be balanced and include the following major pieces:

(1) The sea-based portion of our nation's strategic deterrent force. Measured against the criteria of ensuring our nation's deterrent flexibility and maintaining our defense options, our sea-based nuclear deterrent is the best insurance available. Our nation's dependence on this force will grow in a post-START environment. The TRIDENT missile-carrying submarine is reaching maturity at precisely the right time in our nation's history to enable us to safely weather the period of strategic and defense uncertainty that lies ahead. Providing nearly 50% of the nation's strategic warheads for only 25% of the total strategic cost, the potent and extraordinarily accurate TRIDENT/D-5 system will, for the foreseeable future, remain the most cost-effective and survivable element of the nation's strategic deterrent capability.

(2) A strong and credible capability to defeat any submarine force. The Soviets' increasingly modern, quiet and very large attack submarine force maintains the real capability to sever the umbilical cords that unite the Atlantic alliance and the industrial base of Asia with the United States. In addition, the forecast proliferation of advanced diesel submarine technology presents a significant and emerging non-Soviet global ASW threat which will require our continued commitment to ASW superiority. We must continue to place top priority on development of modern submarines and submarine surveillance systems, as well as improved surface combatants and air ASW forces to detect, hunt and, if required, sink submarines. Detecting and killing modern, quiet submarines (nuclear or diesel) is the most difficult task in modern warfare.

(3) Carrier battle forces will remain the most useful component of our balanced Navy. Air superiority is essential to success in modern naval warfare. The availability of tactical air power and cruise missiles from surface combatants and submarines in the battlegroup will remain the most important military consideration in any form of conflict or crisis response. Tactical aircraft at sea remain the most decisive naval weapon, whether the mission is protection of our sea lanes or power projection ashore. Our Navy's ability to deploy carrier battle groups routinely with militarily useful numbers of aircraft and land attack cruise missiles is the single most important factor in its value to national decision makers, because it provides a credible means to affect events ashore. Battleship battlegroups, while not a substitute for carrier battlegroups, do provide a unique operational capability. Their 16 inch gun firepower is particularly valuable in satisfying many of the warfighting requirements presented by low intensity conflict scenarios. Similarly, submarines provide covert surveillance, intelligence collection, and insertion of special operations troops, offering a unique capability in addition to their more typical anti-surface and anti-submarine warfare missions.

(4) An amphibious assault capability that provides our Marine Corps access to virtually every area in the world in which U.S. interests can be jeopardized is another critical component of a balanced Navy. A modern amphibious capability provides the means to project land combat power from the sea in virtually all of the likely trouble spots -- which historically have been predominantly littoral nations -- around the world. Because amphibious forces are sea-based, they are readily available for

use and are unencumbered by political constraints imposed by of other nations. This broadens their value to the President as a viable contingency response force.

(5) A mine countermeasures capability in the active and reserve force that blends the quick response of airborne minesweeping forces with the staying power of surface ship minesweepers is essential. The ability to disrupt the flow of commerce with readily available low-tech, inexpensive, impersonal and easily deniable mines was a lesson of the Iran-Iraq War that has not been lost on those who would wish to intimidate, stop or otherwise interfere with the maritime flow of goods and commodities.

(6) To complete the capabilities that represent a balanced Navy, the Combat Logistics Force is essential. It is the ability to resupply our forces at sea that separates a coastal Navy from a truly "blue water" force that can remain at sea without dependence on forward bases. Logistics ships provide the autonomy from fixed bases that will be increasingly important as our overseas base structure continues to erode.

Taken together, these six capabilities (portions of which can be in the reserve forces) and the naval contribution to national special operations forces -- the SEALS -- represent elements that constitute a balanced navy essential to the maintenance of our role, position and obligations throughout the world.

Increasingly during this decade, and entering into the next century, all of these balanced forces will depend upon space-based navigation, communications and surveillance systems to carry out the full range of assigned national tasking. Because of its importance to naval operations, I have designated Space and Electronic Combat as a discrete warfare area and associated naval doctrine is being developed.

Finally, when considering what kind of maritime capability the country needs, we must address strategic sealift capability which complements our Merchant Marine to deliver warfighting equipment and combat-sustaining resupply of our Army, Air Force and Marine Units to the region of conflict in adequate time and sufficient amount. As a great power, the United States will always need to be able to project military forces overseas. Changes in Europe will increase the value of sealift. As warning time increases, as CFE negotiations reap anticipated results and as intelligence resources are enhanced, the ability to reinforce Europe from the continental United States will play a larger role in deterrence.

WHAT SIZE NAVY DO WE NEED FOR THE 1990s?

In today's environment, the size of the peacetime Navy is dictated by three criteria:

First, the need to maintain a credible naval deterrent so that no matter how perestroika finally plays out, the United States does not find itself disadvantaged by a change in regime or philosophy in the Soviet Union. This is particularly true in our ASW force structure, where a sudden shift could find a less benign Soviet Union ready to use their large and capable submarine force. Naval forces can not be easily created. You can not quickly design and construct warships; depending on complexity, they take anywhere from 5 to 8 years to build. When the President needs naval forces to respond, they must be at sea, or nearly so. They can not be resting on the building ways or in the designer's eye.

Second, a Navy that can meet peacetime national requirements for forward overseas presence, preserve regional stability and promptly respond to unanticipated or emergent crises. Based on our country's post-World War II history and the American public's desires to maintain the United States as a world power, it is obvious and certain that the President will continue to depend upon ready aircraft carrier battle groups and Marine Corps amphibious forces, both to support our foreign policy initiatives and to defend the rights and lives of Americans abroad. As the country's premier deployable arm, maritime forces must be broadly capable and available in sufficient numbers to ensure success. National leadership must have in hand forces that permit them to explore the widest range of options in addressing threats to the peace of today's world.

Third, the peacetime Navy must be sized so that our seagoing sailors can be afforded a tolerable quality of life. This final criterion is very important because it directly affects our Navy's single most important asset -- our extremely bright, dedicated, patriotic and incredibly hard working sailors. It means having enough ships and submarines to ensure a reasonable balance between the demands of overseas deployments and operations in homewaters.

This point is often not well understood. Firm guidelines for the number of days underway (OPTEMPO), the number of days in homeport during nondeployed periods (PERSTEMPO), the length of time between overseas deployments (turnaround time) and the actual length of overseas deployment (6 months) have been established precisely so that we don't drive our sailors out of the Navy because the burden of constant family separation becomes intolerable. As it stands, on average, seagoing sailors spend six of every 18-20 months forward deployed and another several months operating at sea in homewaters conducting training exercises. In global war, when the entire Navy and country would be mobilized, long periods of separation are expected and tolerated. In peacetime, however, many sailors will simply not continue to endure unreasonable periods away from their families and friends in the United States.

This assertion is buttressed by recent history. Just ten years ago during the Iranian hostage crisis, national requirements demanded a forward deployed carrier battlegroup presence of four to five carriers. Because there were too few deployable carriers and overseas requirements were firm, the only solution was to lengthen deployments, eventually reaching nine and then ten months. Excessive time away from their families, combined with low pay, caused sailors to vote with their feet. Valuable, experienced petty officers left the service in droves. Predictably, this hemorrhage of skilled sailors had a direct and negative impact on readiness. This unfortunate situation took about four years to turn around.

By 1986 we had rectified the damage brought about by having too few ships and too few sailors too poorly supported to meet national requirements. Today, we have recruited, trained and retained a force of qualified men and women, replacing those who left a decade ago. We are not complacent, however. We know it could happen again, particularly since we have seen a steady decline in funding so that today we have only a thin margin of sufficiency in terms of ships and resources.

What is different today is that we have sufficient carrier battlegroups to satisfy today's overseas deployments and firm overseas deployment guidelines, so we are not forced to compensate for force structure shortfalls by extending our overseas deployments.

In general the Navy we have in hand today is the force we need to maintain regional stability in areas that are important to the United States, to remain a credible deterrent, to participate effectively in the fight against illegal drugs and respond to national requirements that exist day-in and day-out. The active deployable Navy should not be permitted to dwindle beyond our planned retirements and replacement objectives.

Today's Navy is of sufficient size and capability. We remain a credible deterrent force and can satisfy peacetime requirements. In order to maintain this capability, we must continue to modernize the fleet incrementally, replacing older carriers, surface combatants, amphibious ships, aircrafts, and submarines with the newer forces that will be the mainstay of our capability well into the next century.

THE NAVAL RESERVE FORCE -- THE PROPER BALANCE

We must continue to provide sufficient and prudent funding for our total force concept. Over recent years, we have increased the size of our Selected Reserve by nearly 100 percent, to nearly 150,000 men and women, serving in front-line ships and aircraft, including ASW frigates and P-3 aircraft. The Naval Reserve force is substantial. Perhaps more than ever in history it will be necessary for us to assess carefully the proper mix of active and reserve forces to ensure that we have the most economical and effective force needed to meet our mission requirements.

There are some people who believe that we can make significant inroads in reducing our budget by transferring a large number of personnel, ships and aircraft into the reserve force. While it is true that some savings are realized because of reduced manning levels and operating expenses, there are added costs to increasing numbers of personnel in the reserves and associated transportation costs and logistical difficulties in getting those personnel to their units. There is also the cost of constant turnovers, since reserves can only be used for a very short period of time, rarely covering the time required for an overseas or deployed operation. It is a fact that Naval Reserve Force ships are only 10% less expensive than fully active, immediately deployable, fully maintained front-line ships. Most importantly, there is a cost to be paid in the Navy's ability to: (1) meet global commitments without stretching remaining active duty forces so that the level of risk is unacceptable and (2) respond to contingency situations without violating established limitations on length of deployments, our Navy OPTEMPO and PERSTEMPO goals. Striking the right balance between these costs and their effects upon our forces has been the key factor in developing the quality total force we have today.

SAFETY

In 1989 there was a great deal of public commentary on the issue of safety. Going to sea is inherently hazardous. Latent danger is present in every aspect, during each minute, of our professional lives at sea. Because of that, safety is a paramount and constant concern for all of us in the sea services. While no accident is inevitable, statistically we know that some will happen. Each accident, injury and loss of life is taken very seriously by everyone in the Navy. Because of that, our emphasis on safety is unrelenting. In this decade we have demonstrated a continual improvement in safety. Are we satisfied? No. We continue to strive for perfection. It is worth pointing out that:

o We have set new records for aviation safety in the last two years. The number of major aviation accidents this year is nearly three times lower than it was in 1980 and 30 times lower than when I was a junior officer.

o Operations and training related major accidents have declined in each of the past five years. In FY 1984 the Navy had 125 major accidents. The number in FY 1989 was 66.

o The aircraft carrier LEXINGTON, on which a student pilot crashed in 1989, had not had a single fatality in the previous sixteen years. This is remarkable considering that this is the Navy's training carrier and every Navy and Marine Corps pilot makes his first at-sea carrier landing on that ship.

o In September 1989, we completed a four month exercise in the Pacific in conjunction with many of our allies, known as PACEX 89, which was one of the most intense operations in many years. The exercise involved over 100 ships and hundreds of airplanes and operations were conducted in every type of weather. There were no major accidents.

o Since 1955, when the first nuclear powered ship went to sea, the United States Navy has been continuously operating nuclear powered ships without a single major nuclear accident. This is a safety record unparalleled by any other nation and one about which we are neither complacent nor relenting.

Our goal continues to be to make our Navy as safe as possible. That is done through many avenues, including proper technical training, safe and modern equipment, sufficient manning, realistic operational tempo, constant education and awareness programs and sound leadership practices. Ultimately, however, good safety depends on safety conscious leadership. I can state with great confidence that leadership, at every level, is aimed at making the 1990s the safest decade yet.

ENVIRONMENTAL PROTECTION

The goals of national defense and environmental protection are compatible. The Navy is a steward for vast amounts of natural resources. The protection of these natural resources at our installations, along with the protection of our nation's air and water, are in integral part of our daily lives at sea and ashore. Although we support the concept of state and local regulation, we see a need for consistent national standards for our ships which must operate in various state waters. This past year we have continued aggressive efforts to clean up past hazardous waste sites. We initiated a total quality management approach for hazardous material requiring comprehensive evaluation of material acquisition, storage, use, recycling and disposal to minimize hazardous waste. The Navy has been a leader in federal facility environmental protection and we must continue to do so as we face the challenges of the next decade. I am committed to integrating the environmental ethic in our organization from top to bottom and ensuring that we dedicate the resources necessary for environmental compliance.

ARMS CONTROL

Over the past year, it has been asserted by a number of commentators that it is because of stonewalling on the part of the Navy that the United States has not enthusiastically embraced Soviet calls for naval arms control. It is flattering to be credited with such influence; it is also naive and just plain wrong. The reason naval arms control is not on the agenda is that when national policy makers objectively examine the issue, they find that the variety of naval arms control proposals floated by the Soviets are simply not in our national interest. We have nothing to gain and much to lose. They also find that, except for START, which includes SLBMs in the negotiations, the charters for all of the ongoing negotiations specifically exclude naval measures.

When we talk about naval arms control it is important to understand that there are, in reality, many different aspects of this overly broad term. The most prominent include:

The START negotiations, which include naval forces. From the outset our SSBN force has been included in these negotiations to reduce strategic offensive nuclear weapons. I fully support the objectives of START.

Second, our nuclear tipped TOMAHAWK sea-launched cruise missiles (TLAM-N), most commonly referred to as SLCMs, are the subject of considerable debate. These are tactical weapons that have specifically been excluded from the START negotiations. In principle, I have no objection to imposing a limit on the number of nuclear SLCMs. We must, however, be prudent with our management of this important capability. While satisfactory verification is one of my major concerns, an equally important consideration is the role that SLCMs could play in maintaining theater level deterrence.

Third, the Soviet Union has persistently advocated measures that would restrict where U.S. naval ships, operating on the high seas, could go. The basic Soviet approach is to prohibit naval forces from sailing in international waters in certain parts of the globe by creating special keep-out zones. Variously known as "nuclear free zones," "zones of peace," "ASW free zones," "stand-off zones," and "security or safe zones," these proposals have one thing in common -- they seek to put limits, in international waters, on what the U.S. and western navies may do and where they may do it.

Under the guise of arms control, these constraints are known as "confidence and security building measures" or CSBMs. The concept of CSBMs stems from concerns related to land warfare. On land the worry is that national frontiers, limited air space or terrain features such as mountains, wooded areas, tunnels, etc. prohibit observation of large troop movements. CSBMs are intended to overcome natural or man-made obstacles and make movements or large bodies or troops more open or transparent.

The desire for transparency is driven by fear of surprise invasion. Countries with neighbors having large standing armies and a history of conflict, are sensitive to the subterfuge of using exercises as an excuse to amass troops who then, instead of exercising, lunge across the frontier in a surprise invasion. The Soviets, surprised in June 1941 by Hitler, are understandably nervous about this issue, as are other European countries who have been similarly surprised.

A significant problem arises when one takes legitimate security concerns about openness and transparency on land and attempts to apply them at sea. It does not work. Unlike sovereign territory on land, the international waters of the world are the common holdings of all nations. As the term "international waters" implies, the high seas are available for all to use freely. It is the ships that ply the high seas that are sovereign territory, not the seas themselves.

In fact, if the objectives of CSBMs are openness and transparency, then the concept of freedom of the seas is the ultimate naval CSBM, because it guarantees the right of a ship or aircraft from any nation to operate freely in close proximity, with due regard to safety, to naval exercises in order to observe and monitor the progress of these exercises. Rather than building confidence, many of the measures proposed by the Soviets, by constraining freedom of the seas, will have the opposite effect.

Today, there already exist several means to ascertain the difference between large scale naval exercises and a major maritime offensive operation.

o First, in Europe, the Stockholm Agreement of 1986 requires notification for ground, amphibious, or airborne exercises with troop/vehicle participation above a certain level, and observation of exercises with a higher level of troop participation. We support and fully participate in this agreement.

o Second, the announcement of military exercises and associated ship movements in our free press gives advanced information on the commencement and cessation of virtually every major naval exercise.

o Third, the scale of a major maritime war operation dwarfs that of any peacetime exercise and would be immediately discernable to any nation with modern surveillance capabilities, particularly the Soviet Union. From the viewpoint of transparency, when one considers that in June 1944 it took over 5,000 ships, 5 amphibious assault divisions of troops and, on the first day alone, 11,000 aircraft sorties to invade the continent of Europe, it is obvious that no country or alliance has the military capability to invade the Soviet Union from the sea.

o Fourth, a modern space surveillance capability gives the Soviets the ability to monitor ongoing exercises. For years the Soviets have easily monitored our exercises with their own ships and aircraft, yet they persist in trying to limit our ability to operate or exercise in proximity to our overseas friends, allies or even our state of Alaska.

Throughout the history of the United States we have been willing to fight, and indeed have gone to war, to preserve the principle of freedom of the seas. It would be a travesty if we were to compromise on a fundamental national and democratic principle simply to satisfy a Soviet compulsion for predictability or because we feel compelled to respond to their strategically specious assertion that they feel "threatened" by a United States Navy that is growing smaller.

PRIORITIES

Amid all the political instability and strategic uncertainty we see in the world today and the ever changing political priorities in the United States, the Navy has stood fast with the same priorities throughout the 1980s -- a result of constancy of purpose and diversity and adaptability of capability.

As we look toward the future and the transition to the Navy of the 1990s, our commitment is to sail the world's most capable Navy. We will be a smaller Navy, but improved in capability through the retirement of older ships and the construction of new, necessarily more capable ships. The emphasis for the Navy of the future will be continued quality and readiness of our people, proper warfighting balance of our forces and capability to meet tomorrow's threat with the assistance of high leverage technology. My priorities remain:

First, People: Sailors and Their Families. Today, the nearly 600,000 active duty and 150,000 reserve men and women in Navy uniform, and the 300,000 civilians who support them, are very good. They are bright, patriotic and expertly trained. In 1989 we enjoyed the highest retention and reenlistment rates in the past five years. Such success does not come without effort. It can not be sustained by broken promises, a widening pay comparability gap (currently 10.9%) between civilian and military wages, or erosion of benefits. Unhappiness with pay has moved up to the number two "dissatisfier" with Navy life since 1988 because of the increasing pay gap. We need to keep faith by maintaining continual and unrelenting focus on adequate pay and bonuses, staying true to established standards for time away from home and time out of homeport, following through with our very substantial efforts at rejuvenating the Navy medical system, and keeping our training programs vigorous and attractive.

We have developed a manpower strategy for the 1990s. If the Navy is to become smaller we have an opportunity and obligation to shape the force in order to retain high quality personnel, increase experience levels, gain better sea/shore rotation for our people, improve training levels, while reducing overall manpower costs. This must be accomplished with a strong commitment to taking care of the people we have in the Navy, and who wish to stay, even as total strength decreases.

As the budget process progresses, we are focusing on basic goals during each step of that process, which include but are not limited to:

o Sufficient strength, in correct grades, must be available to man operational forces at levels no less than approved for FY-89.

o Sufficient strength, in correct grades, must be available to accomplish necessary work ashore and provide for improvement in our sea/shore rotation for career enlisted personnel. My goal is to provide our sailors with a minimum 3:3 rotation.

o The career content of the force should increase in order to take advantage of quality personnel now on board, reduce training costs and increase readiness through efficiency gained from increased experience.

o Key quality of life programs assume even greater importance. We must continue to vigorously support those programs which are of concern to our people: adequate care for their children, access to suitable housing, protection of their right to freedom of worship. We have an opportunity to better match these programs to force size if we resist the temptation to reduce these programs by the same percentages as force reductions. Quality of life and high retention that will result are essential elements of maintenance of a better trained and experienced force.

o Officer strengths in relation to size of total force should increase as force size declines. We must correct the serious shortages we have endured during the growth years. This is our opportunity to provide more education, better participation in key joint activities and correct shortages in medical manning. We may, as a result, require DOPMA control grade relief during transition periods. Along this same line, we need to be careful as we develop more joint expertise within our officer corps. Every change has an effect, particularly in the delicate balance between sea/shore rotation and the continuous requirements for technical education in an ever-increasingly technological world. While we have been wholehearted in meeting both the spirit and letter of the law, we continue to experience problems meeting

TITLE IV requirements in the nuclear officer community, including aviators who are enroute to command of nuclear aircraft carriers. The stringent training and education requirements of the nuclear propulsion program place significant time demands on an officer's career. We need to maintain a careful balance between technical and joint professional education so that operational proficiency does not suffer. We need to accomplish this while maintaining realistic demands on our officer corps.

An additional comment is appropriate with regard to our support of Navy retirees. As long-standing members of the Navy family, our retirees deserve and will receive the support of the Navy in protecting benefits and entitlements they have earned through their years of dedicated service.

Second, Maintaining an Effective and Balanced Warfighting Capability. Earlier in this statement I described the components that constituted a balanced Navy -- strategic forces, ASW forces, carrier battleforces, amphibious forces, mine countermeasures, combat logistics forces and special operations capability (SEALS). In order to maintain maritime superiority by sailing the world's most capable Navy, there must be balance among these forces as well as balance among warfare areas.

Both force structure balance and warfighting capability balance are essential, because that is how we can simultaneously: (1) counter any threat in case of global war and (2) ensure that low intensity conflict requirements are met. In the first instance, the global war case, anti-submarine warfare remains my top warfighting priority. Admittedly, today the prospect of a major ASW campaign in the North Atlantic is remote. We can not become complacent, however. The ASW forces needed to prevail in such a campaign can not be created over night. It is essential that we maintain today's qualitative edge in order to compensate for numerical inferiority. Furthermore, increasingly ASW is no longer an area that can be neatly limited simply to East-West competition. I am very concerned about the technical advances being made in diesel submarine technology and the availability of that technology. Diesel submarines available for purchase today will achieve significant endurance gains through new air-independent technology which is being marketed around the globe.

In the case of low intensity conflict (LIC), contingency response will continue to be our frequently assigned mission. We recognize that all associated LIC warfighting requirements are not necessarily a subset of global war. LIC does make special demands. The likely operating circumstances of LIC require that continued priority be afforded to maintenance of a timely and accurate tactical picture and to possession of effective and quick reaction combat systems, improved target recognition ability and in integrated hard kill/softkill (decoys and electronic warfare) capability. Denial of opponents' surveillance, communications and targeting systems will be crucial and, with effective electronic warfare capabilities, offer national leadership increased options.

Ensuring the Future -- the Capability to Meet Tomorrow's Threat. The United States must remain in the forefront of military application of emerging technology. The global technical revolution and the remarkable rapidity with which weapons technology proliferates means that we must ensure that the Navy is properly positioned to take advantage of any relevant technical breakthroughs -- such as superconductivity or neural networks. As it has since World War II, our naval warfighting effectiveness is based on technical superiority. It is the *sine qua non* to future security and capability. In times of funding reductions, when our military and naval forces will become smaller, the technology base can not be neglected. As I said last year, technology is the seed corn of our future.

The marriage of leading edge technology and practical warfighting applications associated with future naval weapons systems -- the Arleigh Burke destroyer, the Seawolf class attack submarine and the A-12 all-weather attack aircraft -- is essential to the superiority of a smaller Navy. These technically advanced systems will be the mainstay of our capability well into the next century. These are linchpin weapons systems, specifically designed to be capable against the full range of possible threats -- from the Soviets or Soviet supplied countries to other increasingly sophisticated and well armed emerging nations. They represent a major generational leap into the future that will assure that the U.S. Navy can maintain its utility to the country in coming decades.

In this decade of uncertainty and transition, surveillance and intelligence will be increasingly valued at all levels of the chain of command. To ensure our continued superiority in command and control, my goal is to be prepared to enter the 21st Century so that we are able to conduct prompt and sustained combat operations at sea, with a survivable, combat-ready space and electronic combat battle management system capable of satisfying the needs of maritime forces across the spectrum of conflict.

CONCLUSION

Since 1950 the focus of national strategy has been the prevention of war in Europe with the Soviet Union. That strategy has been successful. Even in the face of the instability created by the dramatic changes in Eastern Europe, the prospect of a European war between the superpowers no longer seems very credible. As a result, in the 1990s, our primary defense concerns will shift away from a sharply continental focus to more broadly encompass Europe, the Pacific, Middle East, Caribbean Basin and Southwest Asia. An aspect of this is in what way and to what degree the American public wants the United States to continue its global leadership.

The major change that this strategic outlook implies is a reduction in the size of overseas forces and support structure concentrated on the European central front. The requirement for globally deployed naval forces has not been reduced. In fact, one could argue that the value these forces provide in flexibility, instant mobility and deployability in response to world-wide crisis has increased in importance.

The fact is that the United States is an island nation with two of our fifty states separated from the mainland by thousands of miles of ocean. The vast majority of the trade that supports our quality of life is with nations across the great expanse of the Atlantic and Pacific Oceans. We are critically dependent on this trade for economic survival; globally deployed naval forces that ensure freedom of the seas are essential to this equation. The realities of the changing world situation dictate that our limited resources be distributed in a manner that recognizes the changing strategic environment.

The Department of Defense exists to execute our nation's strategy. To do that effectively in an environment of declining resources, we must maintain those forces best able to execute that strategy. The attributes naval forces bring to the table are: (1) maritime control to ensure freedom of the seas, (2) tactical air power based at sea, relatively free from overseas basing requirements, (3) flexibility, (4) mobility, (5) prompt response, and (6) staying power.

The United States Navy has proven its ability to complement and fully support our national goals, whether in peacetime or wartime. In a war, control of the seas does not guarantee victory, but failure to control the seas certainly guarantees defeat. Similarly, in crises or low-intensity conflict, naval forces alone may not guarantee resolution in favor of the United States, but they do guarantee that national decision makers will have a full range of options to influence events and apply U.S. power to satisfactorily resolve crises.

Our democracy, our freedom, and our economic prosperity are worth protecting. The role that sea forces will be called upon to perform in ensuring national security by limiting crisis, controlling escalation or terminating conflict will increase, rather than diminish, in the 1990s and beyond. We need to ensure that the Navy of our future is of sufficient size, quality and capability to carry out this role.

APPENDIX

MAINTAINING A BALANCE

THE FY 1991 NAVY BUDGET

INTRODUCTION

The FY 91 Navy Budget enables the United States to maintain strategic deterrence, contribute to the defense of Europe, sustain a forward presence in the Pacific and ensure freedom of passage in international waterways. This year's budget also reflects the continued decline in defense appropriations since 1985.

Maritime superiority is a critical ingredient in U.S. national security and is possible only through the maintenance of mobile, highly ready, and well-equipped forces. This budget seeks a careful balance among a variety of forces to ensure power projection capabilities that are forward deployed, flexible, and able to fulfil a variety of regional roles.

The U.S. Navy's vital contribution to national security is routinely acknowledged and employed by our national leadership. The U.S. Navy provides the most secure leg of the strategic triad and the most stealthy weapon -- the nuclear submarine. Naval forces also assure the security of the sea lines of communication to Europe and the wherewithal to conduct maritime campaigns on the flanks of Europe, if necessary. They ensure access to the Pacific Rim, South America, and Southwest Asia while at the same time responding to concurrent crises. They have had a critical impact on maintaining regional stability.

Most importantly, naval forces are expert and practiced in the role of crisis response and low intensity conflict. Responding to crises is a traditional naval mission -- one that dates back two centuries to the time of the Barbary Pirates.

Aside from the demonstrated expertise and readiness of naval forces, there are a number of other reasons why our national policymakers are predisposed toward using naval forces in times of crisis. For the most part, traditional areas of crises have been particularly accessible from the sea. Naval forces can provide air superiority, assault troops, and force projection capability worldwide without the need for base or overflight rights. Once deployed to an area, these forces can remain on the scene indefinitely or can disengage promptly and unobtrusively when the situation dictates.

The Navy of the future must be able to support the nation's national security posture in a changing world. In addition to the sea-based portion of our national deterrent force represented by the Trident submarine force, we must also have strong and credible ASW forces to guarantee protection of the SLOCs, deter the Soviets, and prevail against the rapidly growing Third World submarine threat. We need surface battle forces, centered on tactical air power at sea and AEGIS anti-air capable surface warships all armed with sea-based land attack cruise missiles in order to influence events ashore. The amphibious forces needed to project land combat power from the sea and the logistics force essential to maintaining forces on the scene must be available in sufficient numbers to support U.S. goals. The growing Third World mine threat requires that we maintain a mix of long endurance mine countermeasure ships and quick reaction minesweeping helos. The Navy SEALs represent the contribution of naval forces to the special operation force that are increasingly called upon in low intensity conflicts. Finally, the Navy must be ready to support national strategic sealift to return the Army to Europe in the event of crises in that rapidly changing region.

The Navy/Marine Corps contribution to the nation's security is an everyday activity, a 24-hour day job. Today Navy ships and aircraft and our men and women are forward deployed around the globe, in the Eastern Mediterranean, the Persian Gulf, the Western Pacific, the Caribbean, on-station to do the nation's bidding. The forces and capabilities requested in this year's budget are necessary to sustain this presence and maintain maritime superiority.

FORCE STRUCTURE

Force structure includes the cost of building new ships, procuring aircraft and converting or reactivating older ships. It is our investment in the future. This budget request represents the results of our efforts to respond to future national requirements while taking into account resource constraints in a changing world.

The capabilities and characteristics required by the United States Navy to conduct its mission in support of the national military strategy are translated through a process of analysis and judgment into the force structure we have and are recommending. The Navy's warfare tasks must be carried out against opposition whose capabilities are increasingly and disconcertingly close to "cutting edge" technology. The proliferation of very capable submarines in the Third World means that ASW is no longer a problem that is limited to dealing with the Soviet submarine force. We can no longer exclude ASW considerations when we discuss the balance of ship, submarine and aircraft types that are necessary to prevail during crises and low intensity conflict.

In fact, antisubmarine warfare continues to remain my primary warfighting concern. This is a direct reflection of the global proliferation of submarine capability and antisubmarine warfare technology that I have just mentioned, and the fact that despite other changes in the Soviet Union, the Soviet submarine force is being modernized at an undiminished pace. To maintain our warfighting and surveillance edge, we will need a variety of modern, advanced ASW capabilities, in particular our finest ASW unit, the new SSN-21 SEAWOLF class attack submarine.

Our shortage of capable antiair (AAW) combatants is a matter of continued concern. The budget-driven decommissioning of our older guided missile destroyers (earlier than the end of their useful life) has highlighted that shortfall, and places a premium on the need for a steady introduction of their replacement -- the DDG-51. The proliferation of sophisticated high-performance aircraft and cruise missiles is the reason that the continued construction of warships with an AEGIS capability is my top surface combatant priority. The soon-to be introduced ARLEIGH BURKE (DDG-51) and the proven AEGIS (CG-47) class warships will form the backbone of the future combatant fleet for the foreseeable future.

Ship Procurement (SCN)

The FY 91 Budget provides for a Navy of 546 ships, 25 less than anticipated in FY 90. We will decommission 23 ships. These decommissionings will not be matched quantitatively by new construction. The Shipbuilding and Conversion, Navy appropriation request of $ 11,195.2M in FY 91 will fund 15 new construction ships. These ships include two SSN-21 (SEAWOLF) class attack submarines, one TRIDENT class ballistic submarine, five DDG-51 (ARLEIGH BURKE) class AEGIS destroyers, one LHD (amphibious assault ship), one LSD (CV) (Landing Ship Dock, Cargo Variant), three MHCs (coastal minehunters), one AOE (fast combat support ship) and one TAGS (ocean surveillance ship). Funding for twelve LCAC (Landing Craft Air Cushion) craft is also included.

SHIP CONSTRUCTION PROGRAM

NEW CONSTRUCTION	FY 1990	FY 1991
Trident (Ballistic Missile Submarine)	1	1
SSN-688	1	-
SSN-21 (Attack Submarine)	-	2
DDG-51 (Aegis Destroyer)	5	5
LHD-1 (Amphibious Ship)	-	1
LSD-41 (Cargo Variant)	1	1
MCM	3	-
MHC-51 (Coastal Minehunter)	2	3
TAO	-	-
TAGOS	1	-
AE	-	-
AOE	1	1
Oceanographic Research	3	1
AGOS	-	-
ARS	-	-
AR	-	-
LCAC (Landing Craft Air Cushion)	(12)	(12)
Sof Landing Craft	(9)	-
USCG Icebreaker	1	-
USCG Patrol Boats	(12)	-
Subtotal	19	15
Conversion		
CV Slep	1	-
Enterprise Refueling/Mod	1	-
AO Jumbo	1	-
Moored Training Ship	(1)	-
Subtotal	3	-
TOTAL: SHIPS	22	15

The Submarine Force

The nuclear submarine force has been executing and perfecting stealth for over 30 years. Our current attack submarine force, led by SSN-688 (LOS ANGELES) class submarines, maintains an unchallenged worldwide presence. This force is capable of delivering a wide variety of weapons --the MK-48 and MK-48 Advanced Capability (ADCAP) torpedoes, HARPOON and TOMAHAWK anti-ship missiles, TOMAHAWK land attack cruise missiles, and mines.

The SSN-21 (SEAWOLF) class submarine is designed to counter the rapidly increasing capabilities of the Soviet submarine force projected for the 1990s and beyond and will be a revolutionary improvement in submarine warfighting capability. In contrast to the four submarines delivered to our Navy in 1989, the Soviets completed nine submarines, five nuclear and four diesel, slightly above average for the 1980s. Production of the AKULA SSN, SIERRA SSN, VICTOR III SSN, OSCAR II SSGN and DELTA IV SSBN continues. Any impact of defense cuts and economic restructuring on the Soviet submarine construction programs has not yet been felt. Minor delays in production which might signal a slowdown are offset by continued building in shipyards publicly designated for transition to civilian work. We believe the current submarine program will keep major Soviet shipyards employed through 1993 at historic construction rates.

Counterposed to this substantial Soviet threat is the SEAWOLF SSN, the world's foremost submarine: quiet, fast, and outfitted with advanced sensors. The SEAWOLF will represent the most formidable ASW platform in the world and will provide a technology hedge against the increasingly sophisticated and always difficult area of anti-submarine warfare.

Our ballistic missile submarine force will continue modernization over the next decade, the result of long-standing plans to build a strategic weapons system composed of large, very quiet submarines armed with long-range weapons -- TRIDENT submarines armed with TRIDENT II D-5 missiles. This submarine entered the force in 1989 with the commissioning of USS TENNESSEE.

The expanded capabilities of TRIDENT will challenge a number of assumptions that have conditioned thinking about ballistic missile submarines in the past. They also will further exemplify the invulnerability and enhanced communications reliability of these submarines in the context of their already enormous contribution to the triad. This will almost certainly produce a dramatic expansion of the role played by the SSBN force. While operational tests are incomplete, it is clear that the missile's accuracy will be on the order of twice that of the currently deployed Trident I. Also, when armed with the larger of its possible warheads, Trident II will have the capability to destroy hard targets, earlier thought to be vulnerable only to high-yield bombs or to the most modern U.S. ICBM.

The Aircraft Carrier Force

Carrier Battle Groups represent the single most important aspect of our sea control and power projection capability. We will continue to need NIMITZ-class aircraft carriers and their multi-mission air wings well into the next century to establish and sustain the tactical air superiority at sea critical to power projection, sea control and protection of the sea lines of communication. As our overseas base structure shrinks, it is the mobile base -- the aircraft carrier -- that will allow us to bring tactical aircraft to the scene of crises and stay there until needed or until diplomacy solves the situation.

A well-structured program of new construction must be set in place to offset the decommissioning of the older units. The Navy's experience with the multi-ship acquisition of USS ABRAHAM LINCOLN (CVN-72), GEORGE WASHINGTON (CVN-73), STENNIS (CVN 74), and UNITED STATES (CVN-75) demonstrates that it is most efficient and economical to procure two carriers under one contract.

There are no conversion ships included in the FY 91 request. USS KITTY HAWK (CV 63) is now being modernized as part of the SLEP. USS CONSTELLATION (CV 64) is scheduled to commence SLEP in July 1990. Carriers which have completed their SLEP, USS SARATOGA (CV 60), USS FORRESTAL (CV 59) and USS INDEPENDENCE (CV 62), continue to operate reliably.

The Surface Combatant Force

Over the past ten years, the surface Navy has undergone a revolution at sea. The advent of AEGIS, SQQ-89 ASW system, LAMPS MK III helicopters, TOMAHAWK and VLS has altered the art of naval warfare and provides a solid foundation for the Navy of the 21st century. The capabilities of these multi-dimensional systems, and the flexibility they exhibit in adapting to changing requirements are the hallmarks of this new generation of ships and weapons. Ships are valued because of the warfighting capability of the systems they have installed, not because of their class. Versatility, capability against the toughest threats, efficiency and affordability are what makes a modern surface combatant a sound investment. The traditional categories of "frigate," "destroyer" and "cruiser" have become a less important yardstick for determining capability.

As a result, our at-sea antiair warfare capability will continue to revolve around the AEGIS force. The CG-47 (TICONDEROGA) class of AEGIS guided-missile cruisers is comprised of 27 ships fifteen of which have been commissioned to date. They have operated with enormous success in all environments and in every ocean in a variety of employments. The last five ships of the class were authorized in FY 88 and the final ship is scheduled for delivery in 1994.

The DDG-51 (ARLEIGH BURKE) is the second class of AEGIS warships authorized by Congress and currently under construction. The mission of the AEGIS guided-missile destroyer is the simultaneous execution of naval warfare in its four dimensions: antiair, strike, antisubmarine and antisurface. AEGIS equipped DDG-51 class ships will complement the CG-47 class cruiser in Carrier Battle Group operations. Our budget submission this year provides funding for the five FY 91 ships in a multi-year procurement strategy approved by Congress. Five ships per year maintains the dual ship builder industrial base necessary for a competitive environment, and is the most efficient way to redress our AAW shortfall.

The Amphibious Force

The FY 91 budget also reflects our continuing plan to offset amphibious ship block obsolescence. The follow-on units of the WASP-class (LHD 1) and the cargo variant WHIDBEY ISLAND-class (LSD 41) represent the modern amphibious lift required for the Navy-Marine Corps team to provide flexible and mobile forces for crisis response. The continued investment in 12 additional Landing Craft Air Cushion (LCAC) vehicles represents a marked improvement in our ability to rapidly move Marines ashore in support of national objectives.

The Mine Warfare Force

The ambitious plan to modernize our obsolescent minesweeper force continues this year with the request for three MHC-51 minehunters. The abundance of mines in the Third World reinforces the need for a modern mine countermeasure force capable of meeting the full spectrum of mine threats. The value of our surface mine countermeasures force was clearly seen in the Persian Gulf where the United States mobilized and deployed minesweepers in order to protect shipping and guarantee freedom of navigation.

While the CH-53 Super Stallion minesweeping helicopter plays an important role in our quick reaction and shallow water countermeasures capability, minesweepers and minehunters are the only way to sustain a mine countermeasures effort -- as in the Persian Gulf -- over a long period of time. These ships are also necessary to detect and sweep modern, deep-moored mines.

The Combat Logistics Force

The FY 91 budget request also includes funds for the third of four AOE-6 Fast Combat Support Ships. An increase of $27.9 million to the AOE program is proposed as a result of prior year shipbuilding execution experience. The inherent mobility and flexibility of naval forces is defined by their ability to operate independently of shore support for extended periods of time. This capability rests on the ability of "floating logistic bases" to replenish underway, at sea, vital supplies of weapons, fuel, and food to carrier battle forces on station throughout the world. These ships will assume even greater importance to deployed naval forces if the access to secure overseas bases decreases in the future.

The Strategic Sealift Force

Strategic sealift is part of the mobility triad (sealift, airlift and prepositioning) and is necessary for both our national economy and national defense. Sealift is a national issue requiring national solutions. The adoption of the National Sealift Policy last year is important to maintaining the country's forward defense strategy. Changes in our posture overseas may cause some shifts in sealift requirements. Until the U.S. force structure and disposition of forces withdrawn are settled, attempting to determine new strategic sealift requirements is not practical. It would be premature to modify our strategic sealift approach until we determine precisely what our new goals will be.

We have a significant capability today. The eight fast sealift ships we own will lift an entire armored or mechanized division's equipment. We will continue to assess how this capability, along with the very successful and flexible maritime prepositioning ship (MPS) and afloat prepositioned force (APF) programs will meet current and future requirements. It is clear, however, that America's historic reliance on oceanic trade will continue and will likely increase, even while the inventory of U.S. flag merchant ships decreases from the 893 ships available in 1970 to a forecasted force of only 200 ships by the year 2000.

Aircraft Procurement (APN)

The Aircraft Procurement, Navy appropriation request of $ 9,838.6M in FY 91 will fund the procurement of 163 aircraft and the remanufacture of an additional 15. Also included in the budget request are funds for modification of existing aircraft and procurement of the spare parts and support equipment necessary to effectively use these aircraft. This request provides the best distribution of available funding to provide a total warfighting aviation mix. The current force level requirements include 13 active and two reserve carrier air wings, 24 active and 13 reserve ASW patrol squadrons, and three active and one reserve Marine air wing. We find these numbers adequate to meet the challenges of the 1990s.

AIRCRAFT PROCUREMENT PLAN

AIRCRAFT	FY 1990	FY 1991
A-12	*	*
EA-6B	-	3
AV-8B Harrier (Attack)	24	24
F-14D/D(R)	24***	12**
F/A-18 Hornet (Fighter)	66	66
CH/MH-53E Sea Stallion (Minehunting)	10	23
V-22 Osprey	-	-
AH-1W Sea Cobra	-	-
SH-60B Seahawk (ASW Helos)	6	6
SH-60F (CV ASW Helo)	-	18
P-7 (LRAACA)	-	-
E-2C Hawkeye (Surveillance)	4	6
SPECIAL AIRCRAFT	*	*
T-44 (Trainer)	5	-
T-45 Goshawk (Trainer)	-	12
E-6A	-	-
HH-60H	-	-
TOTAL AIRCRAFT	139	170

*   CLASSIFIED
** REMANUFACTURED AIRCRAFT ONLY
*** INCLUDES 18 NEW AND 6 REMANUFACTURED AIRCRAFT

Strike

Strike/antisurface warfare aircraft are the means by which our carrier force projects offensive power ashore or against other naval forces. All weather attack responsibilities will continue to be executed by the A-6E INTRUDER until the A-12 is introduced into the fleet in the mid-1990s. The A-12 is the Navy's top aviation priority. Incorporating significant stealth characteristics and greater range, this revolutionary tactical aircraft will be able to penetrate even the most heavily defended enemy areas to reach and destroy targets. The anti-air threat to aircraft continues to grow at a phenomenal rate. Throughout the world the proliferation of easy-to-use anti-air missiles and increasingly sophisticated air defense networks places a premium on the introduction of stealth aircraft. The Air Force and the Navy have joined forces in the development of this aircraft and have achieved reductions in development and procurement costs.

The versatile F/A-18C Hornet will continue to enter the fleet at a steady rate. A force-multiplier capable of close air support, fighter escort, interdiction, and fleet air defense, this aircraft features advanced avionics, low maintenance, superb displays for the single pilot, and excellent growth potential.

Air Superiority

Antiair warfare aircraft are the primary means for achieving air superiority throughout the carrier battle group's offensive reach. The key element of the AAW force is the F-14. The F-14D will first enter fleet service in FY 90, representing a major upgrade to new and existing aircraft and providing new high performance engines, a state-of-the-art digital radar, and new digital avionics. The FY 91 budget contains funds to remanufacture 12 F-14As into F-14Ds. To provide all weather active and passive air and sea surveillance, six E-2C Hawkeye aircraft, featuring the APS-145 radar, are funded. Three EA-6B electronic countermeasure aircraft will undergo a remanufacture program designed to sustain their effectiveness against advanced threat systems already appearing around the globe.

Antisubmarine Warfare

ASW aircraft are critical factors in the Navy's number one warfighting priority. Important in both the strategic and tactical arenas, tactical air ASW exploits two unique characteristics of aircraft: high speed mobility with associated operational flexibility, and moderate immunity from detection and counterattack. The P-7 Long Range Air ASW Capability Aircraft (LRAACA) will provide increased payload, greater range, longer endurance on station, higher transit speed, and dramatically improved reliability, maintainability and survivability. Equipped with the Update IV submarine detection system, P-7 production is scheduled to begin in FY 92 with advance procurement funds for the first three aircraft included in this budget. The Update IV system will also be retrofitted into the existing P-3 fleet. Funding for upgrades to our carrier-based S-3 ASW aircraft will continue in FY 91, providing the S-3 with an improved avionics package and the APS-137 Inverse Synthetic Aperture Radar (ISAR). The S-3 modernization is getting rave reviews from fleet operators.

Procurement of two SH-60 shipborne helicopter variants will continue in FY91 -- six SH-60Bs (LAMPS MKIII) which provide both ASW and anti-surface capabilities to our battle groups and to our surface combatants, and eighteen SH-60Fs (CV helo), equipped with dipping sonar, which will be the carrier-based replacement for the aging SH-3. This new carrier ASW capability is expected to be deployed in FY 91.

Training

In FY 91, replacement training aircraft are needed for current T-2 and TA-4 jet trainers. This follow-on trainer, the T-45 GOSHWAK, comes with an integrated system that provides virtually all of the fundamental elements of flight training -- academics, simulation, and flight -- all of which will be coordinated by computer based training integration. Funding for twelve T-45s is included in the FY 91 request.

READINESS

Operating an effective Navy on a day-to-day basis is the goal of readiness. It constitutes the ability of the Navy to execute its national defense responsibilities, which may range from a presence in response to threats to the lives of the hostages, to a strike deep into the heart of nations supporting terrorism. Navy readiness is America's insurance for crises. It consists of operations and support funding for people, initial and replacement spares, base operations, training, ordnance, fuel and maintenance.

The request of $24,531.6 million in FY 91 will support naval operating forces including operation and maintenance of ships, aircraft (including Marine Corps aircraft), weapons and support equipment, as well as the total spectrum of ongoing activity within the Navy support establishment.

Our people are our most fragile and perishable readiness asset. Any mandated reduction in forces must be clearly balanced so as to not compromise our personnel experience levels or our training requirements. We must continue to pay close attention to quality of life issues, including a decent wage, reasonable PERSTEMPO, high-calibre and quality training, continued improvement of medical services, decent housing, spiritual counseling availability and enhancements in dependent programs.

Continued success at maintaining a well-motivated, high-quality All-Volunteer Force capable of working with and operating technologically sophisticated equipment will rest directly on the continued investments we make in them. Necessary to this are maintenance of equitable compensation, comparable to civilian rates, an adequate quality of life and a rational end-strength.

The request of $19,363.1 million for MPN in FY 91 will support an end-strength of 584,800, a decrease of 5701 from FY 90. This end-strength decrease is related to the inactivation of two battleships, the transfer of frigates to the NRF, the change in delivery of the GEORGE WASHINGTON and a reduction in naval infrastructure. Additionally, the Defense Management Review resulted in a reduction of 1668 in end-strength related to the civilianization of military personnel in various support functions. The MPN funding increase in FY 91 is primarily tied to the pay raise of 3.5% effective 1 January 1991. This funding increase is partially offset by strength reductions and a transfer of Subsistence-in-Kind funding from the Military Personnel, Navy appropriation to the Operation and Maintenance, Navy appropriation.

SUSTAINABILITY

Sustainability is essentially the "staying power" of the Navy. It is measured by our ability to supply our forces with the required fuel, spares, repair parts, ordnance and food, and includes funding for war reserve stocks. Sustainability is the life-line that allows us to maintain a combat ready, forward deployed Navy around the globe.

In light of force structure changes and the reduced likelihood of a near-term conflict with the Soviet Union, we will continue to re-evaluate the scenarios and parameters from which we derive the sizing of our weapons inventories. We intend to avoid accumulating large inventories of high-cost weapons that would likely be made obsolete by advances in technology before they would be needed in combat. Procurement decisions favor those weapons which would be used in the most likely conflict scenarios.

The Weapons Procurement appropriation request of $6,161.4 million funds procurement of strategic and tactical missiles, satellites, torpedoes, guns and other weapons, ammunition and other ordnance, spare parts and support equipment. The Trident II (D-5) program resumes full rate production following recent successful flight tests. The TOMAHAWK missile program supports maximum competitive dual-source production levels, accelerating near-term procurement while capturing substantial cost efficiencies. A total of 900 STANDARD missiles will be bought on a dual-source basis for our AEGIS cruisers and destroyers.

Part of the sustainabilty pillar includes our Reservists, for which funding in the amount of $1,624.6 million in FY-91 has been requested. This will support an end-strength of 149,700 Reservists, a decrease of 3,700 from FY 90. This decrease reflects the combined effect of the additional ships transferring to the Naval Reserve, a Navy decision to reduce Full Time Support workyears, and a DOD decision to reduce the Naval Reserve infrastructure. Funding will also provide for Individual Ready Reserve (IRR) screening of 34,480 reservists and an additional 289 full time support personnel to accommodate a net increase of five ships being introduced into the NRF in Fy 91. The same FY 91 pay raise factor described for the MPN appropriation is reflected in this account.

MODERNIZATION

Modernization includes all Navy research, development, testing and evaluation (RDT&E), fleet modernization or ship alterations, and aircraft and weapons modifications. These funds allow for cost-effective improvements to current systems and for research and development so that we might identify the most promising avenues for future improvements.

Research and development provides the means to maintain our warfighting edge. In addition to improving our warfighting capability, technology also provides the means by which we increase reliability, effectiveness and maintainability of systems and component equipments while reducing manning, support and follow-on acquisition costs. Operational and tactical superiority demand a dynamic research and development program to support the forces of the future and to hedge our bets against new and "surprise" technologies that could pose grave dangers. We must maintain a vigorous technology base so that the newest and most modern of technologies are understood and available for application to defense needs if required. Since the MONITOR and MERRIMAC, success at sea has been determined by the intelligent and innovative application of technology. If we lose our technological edge, we lose maritime superiority.

The RDT&E appropriation request is $9,102.4 million, a decrease of $363.4 million from the FY 90 request. Most of this decrease is the result of tactical programs transitioning to production. We are witnessing the fruition of our past investment in RDT&E and must now think about the next generation of weapon systems. The technology base, which provides funding for basic research and exploratory development with the primary objective of increasing fundamental scientific knowledge adaptable to solving needs of widely varying future requirements, increases by $62.5 million over last year's budget. This is our investment in the next generation of naval systems.

Our programming has as one of its aims the maintenance of our technological and operational advantage in antisubmarine warfare. One of the significant characteristics of the SEAWOLF attack submarine is the designed-in capability to accept future technological advances. The Advanced Submarine Technology Program Office, in the Naval Sea Systems Command, is working closely with the Congressionally-directed Defense Advanced Research Projects Agency's (DARPA) Advanced Submarine Technology Program to identify revolutionary submarine technologies so that we may preserve our undersea superiority.

MEDICAL CARE

It is essential that we have a cadre of professionally trained and physically capable men and women to man the fleet. My continued primary commitment to our people has resulted in a significant shift of resources to the issue of medical care for themselves, their families and our retirees. The impressive investment we have made in medical readiness over the past several years has left us better able to support our sailors and marines. This preparedness allows us to reorder our near term priorities toward refurbishing our peacetime healthcare system. Prudent investments in a balanced military medical system help us retain dedicated military professionals. Carefully planned and executed, these investments provide tangible returns by allowing us to partially escape the high costs of purchasing healthcare services through the CHAMPUS program.

CONCLUSION

In an international environment marked by the potential for continued military competition with the Soviet Union as well as a continuation of the instability that has defined much of the world since 1945, the size and capability of the United States Navy will be a significant determinant of our country's ability to fulfill its role as the world's only true superpower. At a minimum, the U.S. Navy must be large enough to maintain a credible naval deterrent in the event of an adverse change in the international outlook of the Soviet Union. We must be able to prevail against the Soviet Navy and ensure that the sea lines of communication with our allies remain open. We must also have sufficient forces to maintain a forward presence in East Asia, Southwest Asia and the Mediterranean. Additionally, we will be playing an increasingly important role in our national effort against drugs.

In view of our experiences with contingency and limited objective operations as well as Third World crises since World War II, we must have sufficient forces to cover those events without abandoning our presence in other areas of the world. In the 1990s, our nation's defense concerns will shift away from a sharply continental focus to more broadly encompass Europe, the Pacific, Middle East, Caribbean basic and Southwest Asia. We must also have sufficient forces to ensure our maritime superiority while maintaining a tolerable quality of life for our seagoing sailors, through a reasonable rotation of forward deployed ships.

In general, the FY 91 Navy budget request enables the U.S. Navy to maintain a properly sized and balanced force in the face of a reduced Soviet threat.

STATEMENT OF GEN. A. M. GRAY, COMMANDANT OF THE MARINE CORPS

Senator **INOUYE**. General Gray.

General **GRAY**. Thank you, Mr. Chairman. It is a privilege to appear before you and the distinguished members of this committee.

MARINE'S ROLE IN EUROPE

As we look at the dynamic change that has taken place and we, hopefully, will be able to take advantage of winning the cold war, I have to recall that for the past 40-some years your marines have had a key, strategic reserve role in Europe. Since the founding of the alliance, two Marine expeditionary forces, each of about 50,000 in size, were the strategic reserve for that alliance, and through operational concepts, employment, and training and the like, decisions were made to employ these Navy and Marine forces on the flanks of NATO.

NATO ALLIANCE

Now that the threat and clearly the probability of war in Europe is much more remote, in my judgment, it is a natural question, What do we do now? One, I would suggest that we do what we can to protect the NATO alliance. We need a forum through this uncertain period. We need a mechanism to continue to look at the strategic arms reduction, talks, and verification, as well as the conventional forces negotiations.

In other words, if we did not have the NATO alliance, you would be trying to form some kind of a forum to do just that, and there will be, as we have already seen in recent weeks particularly, instability. We have to remember, I think, that our great Nation is really the only great stabilizing power throughout the world today.

In the military sense, it is somewhat ironic. If you examine this in concert with the Supreme Allied Commander of Europe, General Galvin, you will see—and he has said—that as the forces come in from NATO, it will be naval power, with emphasis on expeditionary forces, that will remain the stabilizing influence throughout the region. So again, it is somewhat ironic, but I think worthy of note.

Within that context, your marines, because they operate on the flanks of NATO, have trained down at the grassroots level and served with every NATO nation. There is a cohesion, there is a solidarity there, there is a friendship there that, of course, cannot be quantified. But again, in Europe things look pretty good, and as long as we can protect and provide the nuclear deterrent, we should not have any military-type conflict in Europe if we all do it the right way.

WORLDWIDE SCENARIO

So we look elsewhere around the world, where, as my leaders here have indicated, we have vital interests. We do not see any change in the next few years at least, and perhaps for the rest of this decade, in the Mideast in terms of turmoil, conflict, and tension. Clearly, all the ingredients for tension and conflict remain in Africa—especially the poverty. We know first hand the situation in Central and South America and throughout the Pacific region. Many of these nations, struggling to survive, grow, and to prosper have all of the ingredients of instability.

So it seems to me that when you look at the situation that we face, if you recall what Admiral Trost said, that many of the precious minerals and resources that we take for granted in this Nation are absolutely vital for the survival of the United States and the free world as we know it today. Particularly if we want the chance to flourish economically, then we have a great interest in these regions, and stability, free access, and growing democracies are most important for our great Nation.

I would submit there is a higher reason for interest in these countries that has to do with the people in these regions. Many of them are a lot like us in that they aspire, they dream, they hope. They are not like us, though, because most of them have not had a crack at this freedom we take for granted. They still look at the United States as the beacon on the hill that we studied in our history books. It seems to me that we are in this global leadership business to stay and that we do not have any course except to step into the batter's box and face the challenges of the future.

MARINE CORPS STATE OF READINESS

Interestingly enough, through the efforts of many administrations, and particularly the support of the Congress, your Marine Corps today can meet its global war commitments. We can meet the commitment in Europe, we can meet the commitment in the Pacific, and we can do it this morning with 60 days of beans, bandages, bullets, in the barn, all the sustainability necessary. Additionally, we do not have to mobilize a person for the first 60 days. So I mention that only because what you have provided for the Nation in this and other Congresses is a Marine Corps at the highest level of peacetime preparedness and potential in our long history.

So that really is a pretty good place to start. We have never subscribed to the myopic focus of the central region of Europe. We have always, through at least 15 structure studies since the end of the Korean war, remained focused on the other regions of the world, and the corps you have today is organized, trained, equipped, disciplined, and prepared for these kinds of most probable conflicts.

So we have a force in being, an expeditionary force along with our naval colleagues that is fully prepared for many of the kinds of conflicts and situations that we face today and that we will face in all probability in the future.

So where do we go from here? All of these studies—and they have names like the Chapman Board and the Armstrong Board, there is even a Gray Board in there somewhere—but all of these studies have said that in the most probable conflict areas you need about 190,000 men in your Marine Corps. This allows us to do what has to be done; to maintain a balance, to maintain the preparedness and the readiness, and we are somewhat above that today as you well know. So that number is a pretty good benchmark.

Now, as we look ahead and we look at the fiscal constraints that we face, obviously we are going to have to redefine and to rejustify all of this analysis and rationale. We have been doing this and are fully prepared to do whatever we have to do here to lay it out once again.

LEANER, MEANER CORPS

What we have to remember is that in this budget, as well as in the 1992 budget and the 5-year plan that we are developing now within the Department of Defense, we are molding the force structures for the year 2000. So we have to do it the very best way we know how. In the case of the corps, we will probably become even a little leaner, maybe a little meaner if necessary, but always, I think, organized and prepared for doing what must be done in the future.

One thing that has to be mentioned. As the Department of the Navy goes, and as the Navy goes, so goes the Marine Corps. Even though we could justify a 190,000-man Marine Corps by the year 2000, as we begin to feel the fiscal constraints and as we continue this downward trend that we are in, your Marine Corps is going to have to get smaller. The key will be to do it in a very, very smart and futuristic way, and we are fully prepared to do that, sir.

Thank you.

Senator INOUYE. Thank you very much, General.

[The statement follows:]

STATEMENT OF GEN. A.M. GRAY

Thank you for this opportunity to report to you on the posture of your Marine Corps. This is the third report I have been privileged to present to Congress.

The past year has given the free world reason for optimism. History is likely to record 1989 as the year the West achieved a "victory" in the Cold War. It is a victory for all who have served in the defense of this Nation, and more importantly, a victory for all who believe in the fundamental rights of every man. Our foreign policy of containment provided the framework for this victory, while the forward presence of our Armed Forces ensured it. Today, we are encountering many of the same challenges of economic reality and defense concerns our Nation faced at the end of World War II. During that period, we allowed the budget rather than strategy to shape our military. We paid dearly for this flawed approach in June of 1950 when North Korea crossed the 38th parallel and invaded South Korea. Virtually overnight, our Nation was faced with reversing a five year trend of conventional force disarmament. The reality was that five years of force reductions limited our ability to respond quickly. We recovered, but only after three years of conflict and the loss of 33,629 American lives. We should not casually dismiss this lesson in our history as we ponder today's challenges.

Soviet Threat

As we formulate strategy, we must acknowledge the unpredictability of our world. The Soviet Union and its alliances may be unravelling, but neither ideology nor nationalism is dead. We must remember that the Soviet Union remains a military superpower, capable of threatening our way of life. It has not abandoned its client states, although its influence may have diminished. Paradoxically, we may no longer be able to count on the stabilizing influence of the Soviet Union, and its ability to reign-in renegade surrogates. While we must respond to the changing military balance in Europe, and to an anticipated decreased threat from the Soviet Union, we must remain sensitive to the potential instabilities that these conditions have precipitated. As Europe transitions to a new era, it will face difficult political and economic challenges which could contribute to these instabilities. We can only speculate on the outcome, but relatively recent instability embroiled the world in two wars within a period of less than thirty years. While our National Military Strategy remains solidly based on deterrence and forward defense, we must consider how it will be influenced by the changes in Europe and elsewhere in the world.

Regional Threat

As we reassess the threat, it becomes apparent that any number of regional powers with competing ideologies, cultures, and nationalistic aspirations could threaten our global interests. These regional powers, either present or emerging, provide our most likely sources of conflict. They have the potential to trigger a United States military response to protect our vital interests. We can expect these nations to have sophisticated high-technology weapons, to include weapons of mass destruction, and well trained armies. They need not be superpowers; North Korea, Iran, Libya, Cuba and Nicaragua are cases in point. Our interests in stability and our support for our friends and allies around the world illustrate the need for a military capability broader than the defense of our homeland.

Our economic health and well-being, and that of our allies, depend on international trade and unimpeded use of the seas. The United States' dependence on world trade has risen from $16.3 billion in 1960 to $460 billion in 1988, and our reliance on other nations for oil and critical mineral imports continues to increase. These interests can be threatened at several critical points throughout the globe. The four geographical areas which I believe offer the most potential for future conflict are the emerging nations of the Pacific rim, the mineral rich nations of Africa, the volatile nations of the Middle East, and the turbulent nations of Latin America. All of these areas are currently dealing with active insurgencies which potentially threaten our interests and those of our allies. Latin America, for instance, is embroiled in wars against narco-terrorism and insurgency. Its proximity to the U.S. border makes it an area of immediate concern.

Strategy

Our future strategy should be based on our ability to respond to a wide variety of threats. The issues are complex and they increase the need for wisdom and a long range perspective in our decisions. We must retain the ability to respond to unforseen crises, or be content with the role of casual observer. Weakness, real or perceived, invites attack or at least abuse. Military strength takes considerable time and capital to build. We cannot allow ourselves to regress to an era of budget driven strategy. Rather, **our strategy must be firmly based upon our enduring national interests and an assessment of the threat to**

these interests. We must, therefore, consider all elements of the equation simultaneously, and not focus on the most obvious one: improved relations with the Soviet Union and the subsequent reduction of the Soviet threat.

As a maritime Nation, we cannot dismiss our geography and the unique requirements it imposes. We are dependent on the free use of the Sea Lines of Communications and access to the natural resources of the world for our economic and security needs. For the past forty years, **we have been a maritime nation with a continental strategy, while the Soviet Union, a continental nation, pursued a maritime strategy.** The changes in the international security environment provide a golden opportunity for us to reassess our position, take advantage of these changes, and pursue our goals in a manner consistent with our national character. **Today's corollary to yesterday's "keep your powder dry" is "keep your Naval forces at sea."**

Naval Force Requirements

Geography and today's international political climate validate the requirement for naval forces. Since World War II, naval forces have responded to **over 80 percent** of all international crises. Given the political and economic densities of the world's littorals, we can reasonably expect that the majority of international crises will continue to occur in areas accessible from the sea.

We are facing a future where access to overseas bases and support for forward based forces is decreasing. Deterrence and forward defense under these conditions puts a premium on capable, mobile, logistically independent naval forces able to demonstrate U.S. presence and power projection capability on the horizon of all but a handful of countries. Naval forces operating in international waters provide our decision makers with a **"sheathed sword."** They can be positioned off the coast, either over the horizon or in full view of a potential adversary, to convey our National intent. They are a visible representation of America's willingness to resolve a crisis diplomatically or politically, but also indicate that, as a last resort, we will **"draw our sword"** and respond militarily. The fact that the overwhelming majority of crises to which naval forces have responded since 1945 were resolved without military intervention further underscores the deterrent value of naval power.

The Corps

A unique characteristic of United States naval power is the inclusion of a completely integrated, air-ground, force-in-readiness -- the United States Marine Corps. We are a combined arms force designed to provide the Nation a ready crisis response capability. When required, we are capable of forcibly projecting and sustaining combat power into a hostile region.

Following enactment of the National Security Act of 1947 which set forth the composition and functional responsibilities of the armed forces, your predecessors in these halls met again in 1952 to define more specifically the roles of the Services. The record of those hearings provides insight into the intent of Congress, as it viewed the need for a Marine Corps, and the wisdom in the deliberations which took place concerning it. Our legislators envisioned a force of combined arms in the active structure which, in partnership with the Navy, would provide the ready, expeditionary forces necessary to protect U.S. interests abroad. Being naval in character, yet oriented in function to the land and air, such a force could operate with the fleet around the world. This force would be independent of the requirements for overseas basing, yet able to provide the complete spectrum of response to "...minor international disturbances." The lawmakers envisioned, beyond this purpose, that such an organization would be available for other "...duties as the President may direct." For almost forty years, these requirements have been the blueprint for your Corps' strategic, operational, and program planning efforts.

Today, forces of combined arms are formed from the resources contained within our divisions, aircraft wings and support units into **Marine Air-Ground Task Forces (MAGTFs).** These unique, flexible, formations range from small Special Purpose Forces to large Marine Expeditionary Forces of 50,000 or more personnel. **MAGTFs can be configured as light, air transportable, self-sustaining expeditionary forces; as powerful assault forces capable of employment from amphibious shipping; or as mechanized forces to be flown to, equipped from, and sustained for an extended period by our Maritime Prepositioning Ships Squadrons.** All MAGTFs have inherent special operations and low-intensity conflict capabilities that are continually being enhanced. After a demanding comprehensive training and certification program, our forward deployed MAGTFs are designated special operations capable. Each forward deployed MAGTF is capable of time-compressed planning, and is required to be ready to commence mission execution within six hours of receipt of its mission.

We provide each of the warfighting CINCs with an array of force employment options that take full advantage of our capabilities and multiple means of deployment. Marines embarked aboard our Navy's amphibious ships provide a **self-sustaining, forcible entry capability which can be flexibly sized to mission requirements.** As our access to overseas bases and overflight rights decreases, our reliance on this capability for crisis response will become even greater. Shortly after the turn of the century, however, **over 50% of our current amphibious ships will reach block obsolescence.** We must have your support for a vibrant amphibious shipbuilding program, otherwise, our Nation's ability to maintain forward presence around the world and to project and sustain power, when needed, will be severely reduced.

We can also deploy MAGTFs by airlifting Marines, helicopters, and tactical aircraft to locations where they can be aligned with either the Maritime Prepositioning Ships (MPS) or our prepositioned equipment and supplies in Norway. In the first case, a brigade of Marines, as large as 17,000 personnel, 60 helicopters, and 70 tactical fighter aircraft can be deployed by strategic airlift to link-up with one of the three squadrons of Maritime Prepositioning Ships along the littorals of the world. Fewer than 250 C-141 equivalent strategic airlift sorties are required to deploy the entire force. To deploy this same size force, together with 30 days of sustainability without these strategically mobile, floating warehouses, would require approximately 4,500 sorties. This would severely tax our strategic airlift resources. The MPS brigades can be deployed, linked up with their equipment, and ready for employment in under 10 days. This unique strategic mobility enhancement and force deployment option is afloat now. It is an extraordinary program, set into motion a decade ago, and available today. Its readiness is maintained by regularly scheduled exercises conducted around the globe. In a quantitative sense, the three squadrons of Maritime Prepositioned Ships, strategically disposed in the Indian Ocean, Western Pacific, and Atlantic Ocean enable the nation to deploy at a cumulative cost of under 750 strategic airlift sorties, 51,000 Marines, 180 helicopters, and over 200 tactical aircraft in response to a crisis, regional conflict, or war. We are continuing to refine the structure of these Maritime Prepositioned Forces to provide increased flexibility when a force of less than brigade size is required.

In 1980, to strengthen the defense of NATO's vital northern flank, the United States earmarked a brigade of Marines for reinforcement of this region. The supplies and equipment for the brigade are stored in underground storage facilities in Norway. A MAGTF of approximately 13,000 Marines can be airlifted to join with this equipment and be ready for operations in just ten days.

The third dimension of our crisis response capability, or our ability to reinforce rapidly our forward-deployed amphibious forces, rests in our three Marine Air Contingency Force packages which are on ready alert throughout the world every day. These forces are light brigades, poised for world-wide deployment via strategic airlift, beginning within four hours of notification. They are a means of deploying Marine forces rapidly to a crisis, or of rapidly expanding the capabilities of amphibious or maritime prepositioned forces already committed.

The Nation has at its call today a Corps capable of service at sea, on land, or in the air; a Corps highly trained, well equipped, with high levels of sustainment, completely integrated as an air-ground package, and not dependent upon the mobilization of a single Marine to respond to crisis or meet its wartime commitments. With a combination of amphibious ships, Maritime Prepositioning Ships and land prepositioning, and strategic airlift, you can deploy the Corps where you need it, and when you need it - NOW!

Current Operations

The past year has once again been a period which validated our aggregate utility and our focus on low-to mid-intensity conflict. Marines responded to crises throughout the world in Lebanon, Panama, and the Philippines. Naval forces responded to crises in Lebanon on two occasions. The Lebanese Civil War in February and the Hostage Crisis in August of last year found Marine Expeditionary. Units, with special operations capabilities, as part of a Naval Task Group poised off the coast for potential evacuation operations. Two years ago, Marines deployed to Panama in April of 1988 to augment the Marine Security Force ashore at the canal. In May of last year, following the violent election campaign in Panama, a company of Marines with their Light Armored Vehicles were deployed to reinforce U.S. forces. Finally, in December of 1989, all of these Marines participated in Operation Just Cause.

Perhaps the most visible representation of the utility of naval forces was the crisis response to the recent coup attempt in the Philippines. Four Marine combat elements responded immediately. The 9th Marine Expeditionary Brigade was already enroute to the Philippines to participate in an exercise. Marines from the brigade were flown in to augment the security forces at the Naval Base in Subic Bay. A Marine Expeditionary Unit, embarked aboard ships of the U.S. Seventh Fleet, was standing by off the coast and prepared for operations. A company of Marines from the Marine Corps Security Force at Subic Bay reinforced the Marine security guards at the American Embassy **within minutes** after the coup attempt. Finally, an Air Contingency Force of 2,000 more Marines stood by on **four hour alert** on Okinawa ready to deploy by airlift to the Philippines if required.

Last year also saw Marines involved in the fight against the flow of illegal narcotics into our country. Aviation, intelligence, and ground reconnaissance support was provided to Law Enforcement Agencies operating in the Caribbean and along the southwest border. Marines working closely with the Drug Enforcement Administration (DEA) train their agents before they deploy to South America, and assist DEA in planning its active operations. These activities concentrate on the supply side, but perhaps even more important, we are attacking the demand side of the equation with equal vigor. Active duty, reserve, and retired Marines were and remain actively involved in youth anti-drug education programs throughout the country. Our work with federal, state, and local law enforcement agencies, both in law enforcement and social service, has forged a formidable partnership in support of our President's goal for a drug free society. At home, Marines assisted with humanitarian relief efforts following Hurricane Hugo, the San Francisco Earthquake, and participated in the Alaskan Oil Spill cleanup operation.

The diverse missions accomplished by Marines throughout the past year illustrate the broad utility of the Corps to the Nation in any form of crisis. The day-to-day high level of readiness of all Marines enables us to concern ourselves with the question " How quickly can we get there?" and not," Are we ready to go?" Whether via amphibious shipping, strategic airlift, prepositioning, or a combination of all three, **Marines can respond to a crisis with the combat power required, and equally as important, the sustainability to win.**

Service Planning

As a Military Service, our responsibility is to provide forces to the combatant commanders that are structured, trained and equipped to meet their needs. Using the direction contained in National Security Decision Directive 219 and the mandates contained within the Goldwater-Nichols Defense Reorganization Act of 1986, **our planning process is driven by an assessment of the threat, a review of the national strategy, and the identification of operational requirements needed to execute our strategy.**

Using the foregoing planning process, we have completed three of the plans which will guide our Corps into the 21st century. The first, the **Marine Corps Campaign Plan**, provides a common direction to Fleet Marine Forces and the supporting establishment. It focuses our policies, programs, and studies to meet long term and contingency requirements. The second, the Marine Corps Long-Range Plan, projects Marine Corps concepts, capabilities, and goals 10-20 years into the future. The third, the **MAGTF Master Plan**, focuses on operational concepts and requirements at all levels of employment through the year 2000. The Master Plan places an increased emphasis on low- to mid-intensity conflict. Using the goals initiated in the long-range plan, it establishes priorities for mid-term operational requirements. This plan is the cornerstone of our planning, programming, and budgeting actions.

The Marine Corps participates fully in the Department of Defense's collective planning efforts throughout our own planning process. All that we do to build, train, deploy, employ, or sustain our operational forces is done in coordination with the Department of the Navy, the Joint Staff, the Office of the Secretary of Defense, and the combatant CINCs. To be specific, the Marine Corps' Service planning process is fully integrated with, and responsive to, both the Joint Strategic Planning System and the Planning, Programming, and Budgeting System. For example, the Marine Corps Long Range Plan and the MAGTF Master Plan are designed to interact with the development of National Military Strategy, the Defense Planning Guidance, and the Program Objective Memorandum. Each document is designed to be responsive to change in the security environment to include the threat, National Military Strategy, and fiscal realities.

The benefit from this revised process is an identifiable linkage, traceable from strategy, through Service planning, down to the capabilities and expenditures for specific programs.

Our planning drives the six primary elements which contribute to our warfighting capabilities: doctrine, structure, equipment, manpower, training and education.

Innovation

Our maneuver-oriented doctrine reflects an understanding of the operational requirements of modern warfare. The diversity of threats requires a doctrine which addresses the wide range of combat situations that Marines will likely face. Fleet Marine Force Manual-1 (FMFM-1), **Warfighting**, published last year, is the first of our keystone doctrinal publications. It articulates our operational philosophy and provides the authoritative basis for how we fight. It provides not just guidance for combat actions, but, more importantly, a way of thinking about combat in general. **Warfighting is the philosophy for our profession of arms.** This year, it will be complemented by the publication of: FMFM 1-1, **Marine Corps Role in National Defense**, FMFM 1-2, **Campaigning**, FMFM 1-3, **Tactics**, and FMFM-2, **MAGTF Operations**. As long as Marines are well trained in fundamental individual and unit skills, and leaders have been conditioned to adapt quickly, improvise, and act based on their estimates of the situation, the Marine Corps will measure up to our Nation's requirement for military flexibility and readiness in an uncertain world.

As in the past, your Marines will continue to use our warfighting philosophy as the basis for innovation in doctrine, tactics, techniques, and equipment development. Implicit in our mission as a force-in-readiness is the requirement to update our warfighting structure and operational requirements. By studying the security environment and anticipating change, we have been able to identify requirements, sometimes before they were realized or commonly accepted, for the doctrine, operational concepts, equipment, and techniques needed to meet evolving strategic and tactical needs. Responding to the requirements of expeditionary warfare, Marines took the lead in the development of amphibious doctrine and equipment, close air support techniques and aircraft to include vertical take off high performance jets, the helicopter, the vertical assault concept, the Light Armored Vehicle, and sea-based prepositioning.

Recognizing that threat conditions are changing, we have responded by refining our structure to be more responsive to the new security environment. These actions have resulted in several enhancements to our MAGTF structure, doctrine, and equipment. For example, we have been working in partnership with the Navy toward an improved ability to project forces more rapidly over extended distances. The ability to **project power from over the horizon**, bypassing first line enemy defenses to insert forces deep to inland objectives, is an operational maneuver requirement needed to meet the warfighting needs of our Nation well into the 21st century. Over-the-Horizon operations will dramatically expand the number of areas into which we can project power, provide tactical surprise, and allow us to fully exploit our warfighting enhancements.

MAGTF Enhancements

Building on the achievements of the last decade, **we have enhanced our capability for low- to mid-intensity conflict.** Our efforts enabled us to improve the **existing capabilities** of our MAGTFs without adding manpower. Using a bottom-up approach, we began with the basic infantry squad and concluded with the development of the requisite support functions needed to maintain and sustain our MAGTFs in combat. While fiscal constraints have forced the cadre of three infantry battalions (3000 Marines) in 1989, we have been able to develop an optimal and flexible infantry battalion structure as the building block for all force structure and manpower initiatives.

We have enhanced our infantry battalions. Selective additions have improved their mobility, firepower, and sustainability. We have added a fourth maneuver company to our infantry battalions to improve their flexibility and reconnaissance capability. Similarly, each of our reconnaissance and combat engineer battalions have been improved by the addition of a fourth company. In addition, Scout Infantry have been added to our Light Armored Infantry battalions. We are also improving our existing Civil Affairs and Psychological Warfare capabilities. These changes have been accomplished in part by reducing heavier units from our active structure and moving them to our reserves, and by streamlining our command elements and combat service support units. These adjustments have improved the ability of our expeditionary forces to control and influence larger areas while employing Marine tactics that have previously been proven to be relevant to today's low- to mid-intensity threat environment.

The intelligence gathering, analysis, and dissemination capability of our MAGTFs has been dramatically improved with the creation of a Surveillance, Reconnaissance, and Intelligence (SRI) Group. The SRI Group consolidates these critical capabilities, and links the MAGTF's command element to national intelligence systems. This capability, together with its resident air, ground, and logistics elements, has enhanced our ability to provide a rapidly deployable Joint Task Force headquarters to the CINCs. Simply stated, we have sharpened our teeth and shortened our tail with enhancements made from within our existing force structure.

Research, Development and Acquisition

We have traditionally looked to the future for innovative ways to improve existing capabilities and develop new ones. A streamlined and more responsive research development and acquisition process has made it possible to place the best equipment in the hands of our Marines in the shortest time. Our priorities in Research, Development, and Acquisition programs are based on the procurement of systems necessary for projecting forces from the sea, onto the land, from distances well beyond the horizon. Our intent is to increase our ability to operate with added mobility and flexibility. The same vehicles used to project forces ashore must become our tactical mobility vehicles for operations on land. Our foremost priorities are: a medium lift helicopter replacement, an advanced amphibious assault vehicle, and more lethality and capability for our light armored vehicles.

Medium Lift Replacement

No Marine Corps requirement is more pressing than the need to identify a solution for the replacement of our medium lift assault capability. The aging CH-46 helicopter is entering its 26th year of service life. While it has served us well, we can no longer expect it to carry Marines in harm's way on the modern battlefield. Precision guided munitions and hand-held surface-to-air-missiles place these thirty year old helicopters and the Marines they carry at risk. The decision to cancel MV-22 procurement has caused us again to re-examine available alternatives. This process is currently ongoing. Critical to our requirement is that any replacement must include the capability to:

- execute explicit strategic surprise and deception
- execute true over-the-horizon-operations
- deliver a rapid concentration of forces
- extract and redeploy forces at critical times
- enhance force survivability
- navigate and communicate at night and in adverse weather conditions

Having stated this requirement as our most pressing need, I should mention that whatever alternative is adopted, it will not be inexpensive. We urgently need to identify and procure a medium lift assault air-frame which will survive the threats, provide the needed mobility, and be able to remain in service well into the next century. I can assure you that our reputation for frugality will not be tarnished in this effort and that the weapons systems we identify will be both mission capable and cost effective.

Advanced Amphibious Assault Vehicle

To complement our vertical assault capability, we are pursuing the development of an Advanced Amphibious Assault Vehicle. This program is critical to gaining a true over-the-horizon power projection capability. The High Water Speed Technology Demonstration Vehicle has validated the concept of producing an amphibious vehicle capable of rapidly moving the elements of the MAGTF from amphibious shipping located over the horizon to inland objectives.

Ground Combat

Our ground combat capability was improved by the Soldier-Marine Enhancement Program of last year. Funds were provided for the continued development and procurement of more lethal infantry weapons and improved "soldier items" to include lighter, more comfortable load bearing equipment, field gear, survivability items, communications equipment, and navigation aids. This important program enhanced the warfighting capability of our Marines and is sincerely appreciated.

To expand the operational capabilities of the light armored family of vehicles we intend to continue expansion of this program to acquire an assault gun variant and an air defense variant. This lightweight, readily transportable, highly mobile asset is proving its worth in Panama today. With an expanded capability, it will add tremendously to our ability to operate at any level of conflict, particularly at low- to mid-intensity conflict levels. Recognizing the extraordinary potential of these vehicles, the Army recently requested, and we provided to them, eighteen vehicles to equip a scout element in the 82nd Airborne Division.

Aviation

We are continuing to improve our aviation assets by upgrading the avionics of our fixed wing aircraft and enhancing the night vision capability of our helicopters. To lower operating costs and increase commonality, we are reducing the number of Types/Models/Series of aircraft in our inventory by procuring in-production aircraft to meet our requirements. We will procure the F/A-18, the CH-53E, the AV-8B, and the AH-1W for our active and Reserve squadrons.

C4I2

We are also upgrading our Command, Control, Communications, Computers, Intelligence and Interoperable systems to enhance our ability to exchange secure, near real-time tactical information in joint and combined operations. Our new Intelligence Center will be a model fusion center for all-source intelligence, and it will focus on low- to mid-intensity conflict. The center will ensure that the collection and production of intelligence is tailored to the Marine Corps' unique mission requirements.

The Corps' focus on low- to mid-intensity conflict over the past two years has driven us to some major decisions, not only in our procurement plans, but most importantly, in the direction the Marine Corps will take in the next ten years. We have concentrated on those capabilities which will keep us responsive to our Nation's future requirements. This translates to weapon systems which can get to the fight quickly and influence the battle after they arrive. Heavier and less-deployable systems will take a lesser priority. It was this realignment of our priorities, and the realities of reduced funding levels, which prompted us to terminate the M1A1 procurement.

Manpower

Regardless of the threats which will face our Nation in the future, the military strategies we will develop to deal with them, or the equipment we will invest in to execute the strategy, our ability to preserve our national security will rest, as it always has, on the individual soldier, sailor, airmen, or Marine. Whether in the point squad, the lead airplane, or manning a ship at sea, people are our most valuable asset. They must "stand in harm's way" in complex circumstances on a daily basis. Accordingly, the main effort of our manpower programs and activities will continue to focus on recruiting, retaining, developing, and safeguarding quality Marines.

Where are your Marines?

Sixty-eight per cent of your Marines are assigned to our operating forces. They serve throughout the world with the Fleet Marine Forces (FMFs), with the security detachments on ships, posts, and stations, with the State Department, and with other national agencies and U.S. commands. We demand that these Marines, as well as the remaining 32 percent who comprise the supporting forces, be decisive, self-reliant, and versatile. They are capable of independent action and, when called upon, we expect them to lead in combat. Because of the serious responsibilities and demands we levy on our Marines, we will not compromise our standard of excellence.

Quality

We have recognized for a long time the link between our readiness and the caliber of our recruits. Supported by the resources Congress has provided, our recruiters have answered the call to recruit first-rate Marines. Last year, 95 percent of our accessions were high school graduates with fewer than 1/2 of one percent falling in mental category IV. These Marines are bright, highly motivated, and eager to learn. The Corps' efforts to recruit quality Marines will not diminish.

Retention

We continually are aware of the importance of retaining the quality Marines we work so hard to find and train. We have been successful in keeping most in the Corps, but we must do more to keep quality Marines with critical skills on board. Retention management programs like the Aviator Retention Bonus (ARB), the Selective Reenlistment Bonus (SRB) and duty station incentives are crucial to us. They provide the tools necessary for retaining good, experienced Marines. These programs reduce our dependence upon new accessions, lower training costs, and contribute to stability and unit cohesion.

Total Force

Our emphasis on Manpower quality is enhanced by our commitment to the Total Force concept. The responsiveness and preparedness of our active forces will continue to benefit from the support of the Marine Reserve and our civilian manpower resources. We have taken steps to ensure that the Marine Corps Reserve is adequately structured, equipped, and trained to assume a larger role in augmenting and reinforcing the active forces when employed in high intensity conflict. Similarly, our supporting establishment is highly dependent upon the skills and professionalism resident in the 20,869 civilians for whom we seek funding in FY91. Finally, we will rely more heavily on our retired Marines. I expect all Marines to recognize the value of our retirees and to draw liberally from the experiences and knowledge present within their ranks.

Force Management

The Officer Force Management Review Panel (OFMRP) conducted a comprehensive review of our officer corps this year. The recommendations of the panel have provided us a blueprint with which to validate all of our officer Military Occupational Specialty (MOS) requirements. It also will allow us to correct grade and MOS imbalances and justify some increase in field grade authorizations under DOPMA. These actions will not adversely affect our ability to maintain a healthy officer to enlisted ratio.

Our active duty enlisted Marines are benefiting from the continuing improvement of Enlisted Career Force Controls. These controls are active measures taken to balance the population of first-term Marines with our requirement for Marines of specific grades and MOSs. The results are standardized promotion timing, some relief from critical MOS shortages, and an appropriate level of experience for each grade.

Quality of Life

Concomitant with readiness and retention are the quality of life programs which affect the lives of our Marines and their families. Our quality of life efforts feature concerned leadership, realistic training, sound education, discipline, including self-discipline, unit cohesion, and a strong sense of taking care of our own. "Esprit de Corps" and our leadership philosophy foster a high quality of life which instills values and attitudes which transcend each Marine's actual period of enlistment. In the words of our 13th Commandant, General John A. Lejeune, "These men are in the formative years of their lives, and officers owe it to them, to their parents, and to the nation, that when discharged from the service they should be better mentally, physically, and morally then when they where enlisted."

Today, we continue to emphasize the importance of the Marine Family because of the increase in the number of married Marines. I still am concerned about the high cost of living which requires two incomes to maintain the minimum requirements for food, clothing and shelter, and that there are Marines, serving their country, who are living on food stamps.

Maintaining our family housing is critical to our quality of life program. Our facilities maintenance, repair, and construction programs reflect quality of life requirements and the replacement of aging facilities and infrastructure. Whole house rehabilitations of Government Quarters are examples of how we intend to do the most with the resources we have. With your support, we have maintained the quality and availability of our family housing. We are devoting considerable effort to this important area, but the expanding dependent population and our limited resources hold us at the perpetual break-even point.

Our 18 Family Service Centers handled approximately 300,000 contacts last year. We are improving our responsiveness to the needs for relocation and deployment support. With increasing success, the Employment Resource Center program assists spouses in finding employment and assists retiring and separating Marines in obtaining civilian positions.

We are in step with the Military Child Care Act of 1989 regarding child care programs. We have reduced the child to staff ratio in our Child Development Centers and have improved our compliance inspection program. We are planning to expand the Family Day Care program this year through extended certification efforts.

Medical care for our Marines and their dependents remains a high priority. We are still experiencing shortages in the numbers of doctors, nurses, and corpsmen required. The new CHAMPUS Reform Initiative has been helpful in improving timely payments of claims, however, we are still seeing many late payments. I respectfully ask that you continue to monitor and correct the deficiencies in these programs.

Many of these quality of life issues have a significant impact on our retired Marines. They are confronted with the increased cost of living expenses, reduced medical care, and finding employment. We make every effort to assist our retirees in solving these problems, but as we reduce our defense spending many of the programs that impact on them will be affected. We cannot afford to ignore the needs of our retirees, one of our most valuable National resources.

Training and Education

We have made significant changes in our training and education programs over the past year. I would like to express my appreciation for the interest and support you have provided. With your help we have achieved a virtual renaissance in training and education throughout the Corps.

We derive our training and education philosophy from the realities of tomorrow's warfare. The improvements in training and education will enable the Marine Corps to quickly respond to changes in the world order, witnessed in the past year and expected in the future. We determined that Marines must be proficient in both the science and art of warfighting. They must be tougher and better educated. The Marine Corps' ability to respond rapidly, to fight and to win, requires enhanced combat training and an enduring professional attitude of every Marine. It is an attitude which recognizes that the study of the profession of arms is a way of life. Our program ensures that every Marine, from private to general, active or reserve, is either attending a formal school or participating in a structured self-study program.

To meet this challenge, we have addressed all areas of training and education from boot camp through top level school. Our program derives its focus from short notice, high tempo, combined arms, maneuver-oriented conflict. The Corps' success will depend upon thinking leaders with the mental agility to apply the lessons of history to the complexity of the battlefield. All of our schools stress decision-making under conditions of uncertainty. They emphasize rapid planning and strive to replicate the chaos and uncertainty of the modern battlefield. We teach our students to expect the unexpected, to use initiative, and to prepare for combat across the full spectrum of conflict. We place particular emphasis on low-intensity operations.

Training

Our entry-level training is now more combat oriented than ever before. There are no rear areas or occupational specialties which do not require a warrior. All Marines, regardless of MOS, train rigorously in infantry combat techniques.

Marine Battle Skills Training (MBST) is a comprehensive training program designed to develop and sustain basic combat skill throughout a Marine's career. The program includes extensive firing of individual and crew served weapons, basic knowledge of field skills, rugged battle drills and combat oriented conditioning. It is organized into progressive, mutually supporting stages which begin at boot camp and follow Marines throughout their service. Along with this program, we have made major improvements in combat marksmanship, close combat, combat water survival, and physical training.

Education

The Marine Corps University, established last year, marks a major step forward in our professional military education. It has cognizance over all Marine schools of professional military education. The University includes the NCO schools, the Staff NCO academies, The Basic School, the Amphibious Warfare School, and the Command and Staff College. We have staffed the Marine Corps University with a first-rate military and civilian faculty.

Two new programs will be offered at the University beginning in September 1990: **The School of Advanced Warfighting** and **The Art of War Studies. The School of Advanced Warfighting** will be offered to select graduates of Command and Staff College. The officers selected will remain at Quantico for an additional year of study. The curriculum will prepare them for assignment to key positions in our MAGTFs and high-level joint and combined staff billets. The course will emphasize the operational art of war and a thorough review of the dynamics of joint and combined warfare.

The second program, **The Art of War Studies**, is designed to educate selected senior officers in the art and science of warfare. This program is the foundation of our efforts to ensure we have a first class faculty at our Command and Staff College. Students will study conflict throughout the spectrum and will be well versed in the doctrinal concepts of warfighting. Graduates will be assigned to a two year follow-on tour as a member of the Command and Staff faculty.

A planned research center will be the repository for historical records, studies, and analyses of expeditionary and amphibious warfare. This research center will support the University as well as being available to Marines worldwide.

We have also established the **Marine Corps Wargaming and Assessment Center** at the Marine Corps Combat Development Command in Quantico. Our Wargaming and Assessment Center assists us in validating changes to our concepts, doctrine, and plans. In an austere fiscal environment, wargaming is an accepted, cost effective substitute for expensive field exercises. We are tailoring and conducting wargames for all levels of war. Since March 1988, we have conducted over 30 war games for the formal schools, operating forces and reserve units of the Marine Corps. Additionally, our CMC Policy and Strategy Series provides war games for Flag and General Officers of the Marine Corps and other Services, CINCs, and the senior leadership of civilian agencies. In October of last year, we conducted an indirect warfare/counter-insurgency game centered on the Philippines. The issues that we addressed during the game proved to be both timely and important. This year, the center will conduct a Counter-Narcotic game focused on policy and operational decision making. Our Professional Reading Program was designed to improve the operational literacy of our Marines. We have seen a dramatic increase in the number of Marines who are reading about their profession. Since the profession of arms is becoming more complex, and with the increased reliance on technology, we sometimes overlook the most sophisticated computer of all, "the human mind." Our training and education programs are designed to tap the intellectual and physical resources of our Marines and apply them to our profession of arms. Our training and education programs will institutionalize the changes we have made.

Conclusion

We have always emphasized training, education and discipline in everything we do. Our contributions to the Nation over the years are the result of the vision of exceptional leaders translated into battlefield performance by trained Marines. We are continuously shaping and tailoring our expeditionary forces to meet the unique requirements of a variety of conflicts and the countless deterrence deployments throughout the so-called periods of peace. Our expeditionary tradition and flexibility has prepared the Corps to respond almost by instinct to the tasks ahead. We have trained for years to achieve a high state of readiness. We are ready to deploy by any means available, ship, air, rail or road. We can escalate combat power to meet whatever we encounter, and we can operate with relative self-sufficiency or as part of a Joint Task Force. Today, our training and education programs prepare Marines to respond to and to overcome whatever challenges a rapidly changing world order dictates.

The Marine Corps has been modernized from the bottom-up. This modernization has prepared us for the most probable threats of the future. The most important elements of any threat however, are capabilities - not intentions. While we are seeing a reduction in the Soviet threat, the potential for conflict among the emerging nations of the world is increasing. Two years ago, we charted a course for the Marine Corps which would enhance our ability to respond to the changing international security environment. This has enabled us to build upon the existing structure of our MAGTFs, with their organic air support and combat service support, for self-sustaining, maritime expeditionary operations in low- to mid-intensity conflict.

Based upon the need for a force-in-readiness and the belief that her Marines will prevail in crises, our Nation has made a significant investment in her Marine Corps. We provide a high return on that investment. **Naval forces have been the Nation's force of choice in 80% of our military crises since the end of World War II. With this in mind, it is important to note the Marine Corps provided significant forces in over 50% of these situations. This is our return to the Nation for approximately 5% of its defense budget investment.** In short, the investment has already been made, the forces already exist, and the expeditionary capability is already resident in your flexible, useful, and ready-now, force of combined arms called Marines. **Your Corps will continue to take what you give us, do what is required - and more.**

Our request for FY 91 is as follows:

($ Millions)

Appropriation Table	FY89	FY90	FY91
Military Personnel Marine Corps	$5,679.0	$5,794.3	$5,918.6
Reserve Personnel Marine Corps	315.0	314.5	336.4
Operation and Maintenance Marine Corps	1,839.9	1,808.7	1,948.1
Operation and Maintenance Marine Corps Reserve	77.4	77.4	86.1
Procurement Marine Corps	1,291.8	1,075.2	782.1
Family Housing Marine Corps Allocation	156.0	152.4	137.5
Military Construction Marine Corps Projects	275.5	178.1	142.0
Military Construction Marine Corps Reserve Projects	4.7	16.3	8.9
Stock Fund Marine Corps	32.8	19.8	25.6
Total	$9,672.1	$9,436.7	$9,385.3

PEACE DIVIDEND

Senator **Inouye**. Glasnost, perestroika, Gorbachev, peace dividend, tumbling of the wall, the execution of Coucescu—these are the names and events and words that have had an unparalleled impact upon the people of the United States, and this impact is felt here. There is this growing euphoria among people, and also Members of Congress, that take the words "peace dividend" rather seriously.

Responsible Members have suggested that Congress should go beyond what DOD has recommended and slash another $10 billion in outlays, which incidentally would mean about $20 billion in budget authority. Add to this a new development, the DOD account is now the new Bank of the United States of America as the convenient place to get moneys for other purposes, and add to this the fact that service Chiefs and service Secretaries are now not too subtly going around suggesting that some place else should take the cut and not our account, we have got problems.

So using that as a premise, I would like to ask a few questions and give you an opportunity of telling us why certain things should happen that way or this.

OPERATING TEMPO OF FORCES

First, to the Navy. Why should we not reduce the operating tempo of the general purpose forces?

Admiral **Trost**. If I may, Mr. Chairman. When we determine the budgetary requirements for OPTEMPO ship steaming days and flight hours, we do it by determining the training necessary to ensure a ready unit which can do its job successfully and survive under the known or any expected threat. We developed over a period of years a firm understanding of the level of training required to accomplish this.

To further reduce OPTEMPO would put us in danger of sending people out who are not ready to do their job. For example, people say the Third World threat is nowhere as severe as that for which we prepared when the Soviet Union was our principal potential adversary. However, that ignores the fact that Third World nations who wish us ill may well have those first world weapons, I mentioned earlier, in their inventory.

If you are going to go into a threat area and survive, you'd better be ready. One of the best examples I can give is the frigate *Samuel B. Roberts* which hit a mine in the Persian Gulf. That mine did a lot of damage, completely knocked out its propulsion capability. The damage done by that mine theoretically should have resulted in the loss of that ship. It did not; the ship was saved. The ship has been repaired and is steaming again today because it had a highly trained, combat-ready crew who knew exactly what to do when they were challenged.

We likewise know that our people are constantly faced, as they carry out their forward-deployed commitments, with unexpected challenges or threats. You do not have time to say, I think I will do a couple of weeks training here to get ready for something that might get shot at me shortly. You have to be prepared to respond when it happens. That requirement drives the training operations tempo that we currently request in the budget.

OPERATION OF DEPLOYED FORCES

Senator **Inouye**. Would it make a difference if we reduced the tempo of the deployed forces by 20 percent from say 50 to 40 days?

Admiral **Trost**. We could do that, and it would make a difference in their training status. I think it is important to remember that deployment commitments are laid upon us and we are the responders rather than the drivers. We could, for example, if we were so directed, reduce the number of steaming days of, let us say for the people deployed in the Mediterranean. That would, however, reduce exercise opportunities.

I suspect it would lead to a certain degree of boredom on the part of the people who are aboard those ships because they are no longer operating at quite the level they would expect when they are away from home. Frankly, they would probably also run out of money to spend on liberty if they are in port too much.

But another area where we would really be impacted, for example, is in the Caribbean. Within the Caribbean and off the west coast of the United States and Central America, we carry out drug interdiction operations. We send ships to sea, and if they are out for 90 days they are at sea for 90 days, and so we would have to compensate elsewhere. So if the overall OPTEMPO funding is reduced, we would compensate for that reduction by scheduling less steaming on the part of those ships that are supposed to be doing their basic training and workups for deployment.

SOVIET REDUCTIONS

Senator **Inouye**. Has the Soviet Navy reduced its operating tempo?

Admiral **Trost**. Yes; it has. We have seen a reduction on the order of about 10 percent a year over the last several years. We attribute that to several things, one being economic necessity—saving money by not steaming. We also do not see as many out-of-area deployments by their missile submarines, for example, because the longer range missiles on those ships permit them to deploy safely in home waters and still pose the potential deterrent threat to us.

We have seen their surface ships fall back in terms of forward operations, but we have also seen an increase in their exercises and in the complexity of those exercises carried out in home waters.

Secretary **Garrett**. Mr. Chairman, may I add to Admiral Trost's comment on the reduction in steaming days and flying hours—the question, would it make a difference?

I believe it would make a difference, simply because as I go back over my 30-year association with the Navy, I honestly believe that we have got to train these people as we may have to employ them. They have to be prepared today, not 2 weeks from now, and I am particularly concerned about the flying hours of those who are deployed, because it is very easy to have a negative impact upon the tactical airman's ability to operate safely around the ship, and as Admiral Trost points out, over time we have achieved a level at which we feel it is safe for us to proceed, and that is the 29 nondeployed days and the 50.5 days deployed and the 25 hours per crew per month flying time.

To go below that—and I experienced this in the early 1970's, early as well as late 1970's, when we were in a situation when O&M accounts went down. Our pilots were not flying and they were having their wings pulled because they became unsafe, not because of any innate inability on their part, but simply because we were not flying them enough, and when they do not fly, they do not stay. They leave us. So it is a very, very delicate balance. Is it possible to do that? Yes. Is it advisable? In my opinion, no, sir.

CONCURRENCY IN SHIPBUILDING

Senator INOUYE. Considering the lessening of tensions at this time, how do you justify the high degree of concurrency in development and procurement in the DDG-51 and the Seawolf?

Admiral TROST. We have looked very, very carefully at whether we are proceeding too rapidly with either program. I would submit that a level or a degree of concurrency is part and parcel of any shipbuilding program. For example, one cannot simply build a ship and in the meantime lay people off in the shipyards while we go out and test that ship before we buy another one. I would not want to go to sea in the second submarine built under such a situation, for example, because we would be building it with a pickup group of people who had not done anything for a period of about 4 or 5 years.

Let me address specifically where there is and is not concurrency and whether or not there is risk. Take the DDG-51 program. The hull design is one that is intended to enhance the survivability of the ship. It has been extensively tested by the people in Carderock, MD, at the David Taylor basin, to determine whether or not the hull characteristics are appropriate.

The propulsion system is a proven one. It is at sea today. The Aegis weapon system going into that ship is a proven one which is at sea today in an Aegis cruiser, and I refer to the specific variant that will go into the DDG-51. The combat systems, the weapons systems, again are proven systems which are at sea today, so I am not concerned about that ship's ability to steam or operate in the environment in which it must.

In the case of the SSN-21, once again we have a long history of being able to successfully develop submarines, but more importantly this design has been repeatedly tested by the use of a quarter-scale model operating in a lake out in the Western United States to prove existing designs and to test the results of various alternative designs. The propulsion plant is a variant of what we have today, and it is a very low-risk propulsion system.

The combat system is an enhancement of what we have at sea today in the improved 688 class. The risk in this entire program, if any, lies in the ability to complete the necessary software for its combat systems on the schedule currently planned. That is simply because of the complexity of that software. The hardware that will be used is a low-risk development because much of it is already at sea as well.

Secretary **Garrett**. I would support that, Mr. Chairman. I would add that our theory, and we have been building ships for a long time in this country, is we build a little and we test a lot on the SSN-21 as well as the DDG-51. Components of each of those ships are tested extensively as we proceed to construct them, and as the Admiral points out, on average it takes about years to field a submarine. If you were to build only one, once you started phasing down, you are going to lose that work force and it would have a very negative impact on your ability to pick up the program downstream.

The other point is, when you authorized the ships last year, the DDG-51's, it is going to be a fairly lengthy time before we start cutting metal. Somewhere between 1 and 2 years from the time we go on contract, the metal will start being cut and we will start welding.

I do not see a great deal of risk in either of those programs, other than as the Admiral points out, the issue of integration of electronic systems and software issues. The issues regarding the platform itself, whether it be the DDG-51 or the 21, are very, very low risk.

START TREATY

Senator **Inouye**. The Trident submarine is a high-ticket item. There are some who are looking at that as a possible source of money. Secretary Cheney has advised us that the Navy's plan to continue producing one per year is consistent with the START Treaty negotiating limits.

Mr. Secretary, do you agree with that?

Secretary **Garrett**. I do, sir. And I believe that it would not be in this Nation's best interest at this point in time to make a definitive decision on the Trident that is in the budget; that is, to take it out while the negotiations are ongoing.

Clearly, we, that is, the Congress as well as the Department of Defense and Secretary Cheney, are going to have to make a decision as to the total number of Tridents that will be in the Navy's fleet. But I think it would be premature at this time, and I do agree with Secretary Cheney's statement.

Admiral **Trost**. Might I add one comment, sir.

It is also Trident No. 18 in the 1991 budget. Trident No. 18, when completed, will in no sense put us beyond a limit of any foreseeable force structure that we would see under START, when completed.

Senator **Bumpers**. Mr. Chairman, would you yield for a question on that point?

Senator **Inouye**. Sure.

Senator **Bumpers**. On that point, and it will save me from going into it, Admiral, do we not need to determine what kind of mix we are going to have under the START Treaty before we make that decision?

Admiral **Trost**. Senator Bumpers, we have looked at great length at various mixes of strategic forces based on both what we would like to have and on practical reality. We have looked at what is going to be available based on what is coming out of our strategic forces due to obsolescence. We have also looked at what forces the Congress has approved and supported.

We have taken a very, very extensive look at that topic, both within the services and within the Joint Chiefs of Staff. We concluded, and the Secretary of Defense concurred, that it would be imprudent for us to lay out a force level in advance of conclusion of a negotiation. That would simply provide an adversary the opportunity to say, "Well, I see what he is going to do, so now I can undermine or negotiate that away."

So we intentionally have not come out with specific force levels. We have, and I will not be any more specific than this, determined that we will have as a very minimum the Trident force we are building to at the present time.

Senator BUMPERS. Well, right now, it is almost a certainty that we will be allowed three submarines in port under the START count.

Admiral TROST. In overhaul. These are submarines that would be off the line in overhaul.

Senator BUMPERS. I said in port; I meant in overhaul. And if we have 24 Tridents, which is what the Navy's goal is, that means we will have 21 operational at all times. That takes up about 4,100 warheads if they are all D5's. And that does not leave much room for anything else.

Mr. Chairman, I will not belabor, I just want to keep making this point.

Admiral TROST. That is a good point, though. That is a very good point. The reason we stood by our initial goal of 24/21 operational, was to say, let us hedge our bets in the event that either START is not successful, or some of the other missile programs do not come to fruition and we need to hedge because of the possibility downstream that we may need more of these submarines.

We have a lot of flexibility at the present time because we will not get to 21, which would leave 18 operational, until well into the next century. That decision point, of course, is 1994.

M1A1 TANK PROCUREMENT

Senator INOUYE. General Gray, I have been advised that you plan to end your procurement of the M-1 tanks. The fiscal year 1990 budget calls for 155. I was also advised that you had a projected plan of procuring 255 more in fiscal year 1991, but you are not going to do that. Why this decision?

General GRAY. There are a couple of reasons. As perhaps you know, Senator, I have been long concerned about the main battle tank program for the Marine Corps. The M-1A1 tank is a fine tank, perhaps the best in the world. It is also heavy. It has an operational cost associated with it, and I have been quite concerned.

In my judgment, terminating the buy is the proper course for your Marine Corps. I do not think we need the additional tanks. I think we should restructure with a combination of tank battalions with total force capability, Active and Reserve.

In my military judgment, the main battle tank of the future for Armed Forces should be a light tank. I would hope that over time such a program could be reinitiated. We had one, as you perhaps will recall, in 1979-80, and with the help of the Congress, the Marines did quite a bit toward developing a light tank.

We were unable at that time to get the full support and the much needed support, of course, of our colleagues in the Army. I understand now that they have come around to see the virtues of a light tank. At least that is what I read in the papers.

We simply could not, in my judgment, afford the additional procurement of the M-1A1 tanks.

MODERNIZATION OF SOVIET NAVY

Senator INOUYE. Admiral, you alluded to the Soviet Navy's modernization program. Can you give us, in greater detail, what the status of the Soviet Navy is like at this moment? We have been told that they are decommissioning all kinds of ships.

Admiral TROST. The Soviet Navy this past year decommissioned, I believe, a total of 40 surface combatants and submarines. They have many more on the block, with tenders out to the world's scrapping yards to take and scrap them in return for hard currency.

Let me give you an example of the kinds of ships that have been put on the world market, but have not yet been accepted for bids by the various scrapping yards. Among these are a large number of *Whiskey*-class submarines. Some 20 are currently out for bids, and about half of the ships that they scrapped last year were, in fact, *Whiskey*-class submarines.

Those ships were in operation with the Soviet Navy before I was in operation with our Navy. They are not new combatants, nor have they been steaming at any time in recent years.

The surface combatants they are decommissioning are also ships that are far beyond the age level where we would normally consider our ships to have reached the end of their useful service life. What they are doing is getting rid of a lot of old things, many of which have been alongside piers, and sometimes sunk alongside piers in order to earn hard currency, clear out the overhead, and clear out the space.

These scrappings are not impacting on the combat capability of the Soviet Navy. What they will result in is a smaller stated inventory of various types of ships. But what remains will be of a much higher caliber. For example, we project that in just about 5 years, the Soviet nuclear submarine force will be predominantly comprised of ships of the latest three classes, and that will be a very modern force, indeed.

Likewise, they are continuing modernization in other areas. They continue to build modern cruisers and modern guided missile destroyers. They have one aircraft carrier that has operated at sea and is back in now for modifications, as well as two others, one being fitted out and one still on the building ways.

They have continued to add to capability while contracting somewhat the size of the total force.

Senator INOUYE. Is it also true that the program to decommission these ships, such as the *Whiskey*, were made long before the falling of the Berlin wall?

Admiral TROST. Yes, sir; they have been out of service for quite a few years. I cannot imagine when the last *Whiskey* submarine went to sea operationally.

Senator INOUYE. It is not the result of glasnost and perestroika?

Admiral TROST. No; it is really a decision based on other factors. These are old ships, submarines that probably, on average, are at least 40 years old.

Secretary GARRETT. I was talking with Admiral Brooks, the Director of Naval Intelligence, recently, who confirmed for me that what we have seen them take out in numbers are impressive, but in fact, that many of these assets have not been to sea in years.

We have seen them take nothing out to date that was built after 1960. The only thing that we have seen that I know of at this time is they did cancel the fifth *Kirov*-class cruiser that was on the building ways. They are building today six different classes of modern submarines, both nuclear and diesel. We fear, of course, that some of the diesel assets will be exported to other countries.

And, we are building on the average of two a year. The mathematics works out very easily, I think, over a period of time, and we do not see that they are decreasing the number of submarines that they are building. And, in fact, even while the numbers do not decrease, the tonnage goes up.

And 1989, measured by tonnage, was their best year since 1980. And we are still building at two a year, if we are lucky, which causes me to be concerned about the year 2005.

Senator INOUYE. I have many other questions I would like to ask, but I would like to now call upon my colleagues, the vice chairman of the committee, Senator Stevens.

VLADIVOSTOK

Senator STEVENS. Mr. Chairman, I came in late, and I will yield to my colleagues to ask questions concerning the testimony. But I am slightly disturbed right now. The chairman has obviously been informed that the members of this committee will not be allowed to enter Vladivostok next week.

I think for the past 6 years we have tried to get into Vladivostok to visit with the Soviet Far East Command. And we were to leave Saturday morning. It really disturbs me that there is not enough information coming out of the Defense Department concerning the increased threat to the United States in the Pacific, as these units are removed from the Western European border and brought over the Ural Mountains.

And as the submarines and vessels are coming off the lines, they are coming into the North Pacific. And I see nothing about it anywhere, I do not hear anything about it. And we want to go in there and have a meeting with the Soviet Far East Command.

Our negotiations were that we would only spend 4 hours on the ground. But they have said it is a closed city. U.S. Senators are not to be admitted into Vladivostok for even 4 hours.

I cannot understand a system that says we are open and glasnost and perestroika will govern the western part of that country, but that the Ice Curtain is going up even like a glacier between our countries. And we cannot fly from Alaska into the Soviet Union except to two places, into Magadan and Anadyr.

And yet their planes are flying into our country on both the east and west coast. As a Senator from one of the areas that I think has got an increasing threat now, I just cannot understand it.

Can you tell me, what have they got in Vladivostok that they would want to close it for? Is there anything there that we cannot see from satellites? Why cannot they let four Senators come and spend 4 hours on the ground in Vladivostok? I just cannot understand it.

Admiral TROST. They have a lot of military facilities in Vladivostok. Of course, it is one of two major Pacific bases for their navy. There are also a lot of airfields in the area. I cannot, not being a good intelligence officer, tell you specifically what you might not be able to see that we do not know about at the present time.

Senator STEVENS. And if we did see it, we would not know what it was anyway. [Laughter.]

But they do not even want to talk to us.

Mr. Chairman, I am a little upset. I yield to my friend.

Senator BUMPERS. Therefore they would not get a chance to do any of the talking, Ted. [Laughter.]

Senator STEVENS. Maybe that is the trouble. But it disturbs me that we are not able to get information from the Soviet Far East Command about what their intentions are concerning the Pacific Ocean. I think they are fairly independent from Moscow. We saw that with 007.

Now the real problem about this is that I think I am going to be for slowing down some withdrawal from Korea and from Japan and other places until we are told something about what they are going to do over there.

And I would urge the other Members of the Senate to consider what this means.

Senator INOUYE. You will not have any argument from me, sir.

Senator STEVENS. Thank you. I hope not. I hope all of you understand what it means. It just is impossible to believe that we are able to fly freely into the western part of the Soviet Union, [deleted].

And it is time the country woke up a little bit, as far as I am concerned.

Secretary GARRETT. As you know, Senator, while it probably would be better in a closed hearing, there are other assets being transferred into, for example, their naval forces. The three of us sitting at the table are most concerned not with intentions at this point, but capability.

Senator STEVENS. But who is supplying that stuff?

Secretary GARRETT. Well, it is classified.

Senator STEVENS. They know that we know what they have. Why cannot the American public know it?

Secretary GARRETT. Well, we have spoken about it. We speak about it all of the time before Congress, at every opportunity.

Senator STEVENS. And you are right, that is for a closed session. And I do not want to violate that. I yield to my friends who were here first.

Senator INOUYE. Senator Specter.

Senator **Specter**. Thank you very much, Mr. Chairman.

CARRIER BATTLE GROUPS

Mr. Secretary, I compliment you on the direction of your war on drugs. The Navy's participation is very, very important. And, you have a very impressive photograph at page 5 relating to Navy deployment in the Caribbean.

I note in this morning's media that we have declared the war on drugs to be lost in Washington. I think it is too soon to determine that. It is unfortunate that we cannot deploy the Navy somewhere in this city.

I would like to discuss for a few moments the 14-carrier fleet issue, with some emphasis as it relates to a State concern of mine. I appreciate the meetings which we have had with Secretary Cheney and you, Secretary Garrett. And when those of us have defended the retention of the Philadelphia Navy Yard, we do so not for parochial interests, but really with an eye on a 14-carrier fleet, which we believe to be indispensable.

When I reviewed your testimony, Admiral Trost, I note a very heavy emphasis on the need for 14 carriers. At page four of your testimony you talk about low-intensity conflict, the most likely threat. And then at pages 7 and 8, you detail some 12 engagements where, from 1986 to 1989, the carrier fleet was the central control. You also discuss air superiority as a crucial ingredient.

In your appendix at page 8, you state, "Carrier battle groups represent the single most important aspect of our sea control and power projection capability."

Secretary Cheney said flatly that the Philadelphia Navy Yard would remain open if we have a 14-carrier fleet. I believe that there is good reason to keep it open on other grounds. But, as I review the power projection around the world, and considering the emphasis which is in your statement, Admiral Trost, the question arises in my mind, how can we conceivably get along without a 14-carrier fleet?

Admiral **Trost**. Well, sir, I would share your concern that the euphoria over current world events seems to lead many people to feel that we can do without the forces we have today, disregarding the continued employment of those forces around the world as elements of stability.

I feel very strongly that that 14-carrier battle group level should be the absolute floor with which we operate. We know that we are taking an increased risk with even that number if we look only at the capability and not the stated intentions of the Soviet Union.

Having said that, we need the industrial base in this country to maintain our naval superiority. We do not want to see the demise of any of the facilities which support that capability.

On the other hand, we also have to reflect on the fact that if we are unsuccessful in convincing this Nation's leadership—the administration and the Congress—of the need to maintain that minimum level of 14 deployable carrier battle groups, then we will have to retailor our support structure to the forces which remain.

We are going to continue to fight for what we think is necessary.

Senator **Specter**. Well, if you let a facility like the Philadelphia Navy Yard go, with its very high marks and the acknowledgement by the Department of Defense and the Navy of its excellent work, it is not something that can be reconstructed.

I will not ask the question, Admiral Trost, as to what will be left out if we only have 12 carriers, and if we do not have the full 14 because of rotation, et cetera, what our weaknesses and exposures would be, because there is no point in tipping off anybody else as to that. But it seems to me that the disadvantages would be significant. As we look upon the many items in the DOD budget, none, at least as far as I can see, has a higher priority than having 14 carriers available.

Admiral **Trost**. I would see two courses of action if we are forced to reduce below that level. Logic would say that if you do not have the assets necessary to carry out the forward deployed commitments that the country has placed on the Navy, then you reduce commitments.

History tells us that never happens. What really happens is we put the burden on the backs of our people by deploying carriers and other ships far beyond that 6-month limit that we set today as the maximum deployment limit. And we drive them out of the Navy.

Just a decade ago we had 13 deployable aircraft carriers. We had two full time in the North Arabian Sea. And we deployed carriers in excess of 8 months.

We were talking earlier about the carrier *Eisenhower*, which spent 8½ months out of home port that particular year a decade ago. Five days of the 8½ months were spent in port in Singapore, and the rest of the time was spent at sea.

We do not have too many people from that crew remaining in the Navy today. And that is the impact we are trying to avoid.

Secretary **Garrett**. I would like to add to that, Senator, if I may. As Admiral Trost points out, we know historically what happens to naval forces when we stretch them to the extreme, which we have done before. I would say if we are not successful in maintaining 14 carrier battle groups, what Admiral Trost predicted is exactly what will happen; that is, we would perform the missions which we were required to perform. We would send our people to sea, and we would drive them out of the Navy as we did in the early 1980's.

It is very interesting if you look over the historical employment. When we had 13 deployable carrier battle groups, of the deployments at that point in time, 82 percent of the deployments between 1980 and 1985 extended beyond the 6-month period. When we got our 14th carrier battle group in approximately 1985—it came on line earlier but did not operate until 1985—since that time while we were working to 15, only 22 percent of those deployments have extended beyond the PERSTEMPO and OPTEMPO that Admiral Trost and the Secretary of the Navy have set.

It is a very delicate synergism with which we have to deal because of the way we operate and the environments in which we operate. The sea is not very forgiving, as we all know. It is a very demanding environment. Our kids work 81 hours on average per week when they are at sea. If we lose people, they start working 90 hours and 100 hours and they start getting unsafe, and then we start getting criticized because we are not doing what it is we should be doing.

If you do not address every aspect of the needs of the Navy both in the operational sense, the training and the readiness, you get out of balance. When you get out of balance you start taking it out on these hardworking youngsters. They are tremendous young people, but there is only so much they will take. In an all-volunteer environment we do not have the luxury that we once had as a nation in fielding forces.

Senator **Specter**. I do not have much time, so I am going to move on to another topic, although I would like to discuss this more extensively and go into what Admiral Trost has characterized as 12 major areas. I think the statements and the testimony today clearly sets forth the case that the 14-carrier fleet is indispensable.

V-22

Let me move on to another subject which I think is key to national defense and also has a Pennsylvania connection.

General Gray, I would like to direct this question to you concerning the V-22. You and I chatted about it for a moment or two before the formal hearing started.

With respect to the recent military action in Panama, I have seen a comparison between the V-22, which could fly nonstop to Panama, and existing mechanisms; that is, loading helicopters onto the C-5, disassembling them, reassembling them, testing them, et cetera.

Let me ask the question in perhaps an unusual way, General Gray. I know the concerns about budget, and I know the difficulties with the V-22. I understand that the preliminaries of the cost and operational effective analysis show it to be very effective on a cost comparison, but I would like you to respond to this question. If you had to put the strongest case forward for the V-22 in terms of its long-range operational effectiveness and the cost effectiveness vice alternative aircraft, how would you characterize it?

General **Gray**. I think what we really have to consider is that the advanced technology encompassed in the tilt rotor idea, as expressed in the V-22 concept, should be viewed as a national capability. It really is unfortunate in a way that this has become known as a Marine program. The reason is because the Marines had the foresight to look at this kind of technology.

A decade ago we examined our future need for coming from the sea as well as the need to be able to exercise influence over large land masses as part of the overall military requirement. We examined helicopters in great detail, including all of the existing helicopter technology and all of the advanced technologies that were known at the time.

We came down on the side of tilt rotor technology and the V-22 for all the reasons I think everybody is well familiar with. It has twice the range and payload capability and has the ability to go long distances with or without refueling. In our case, primarily, it opened up the entire battlefield for us to maneuver and to operate with far greater effectiveness.

It was, in our view, the answer. When we did the cost-effective analysis and compared it with helicopter technology, our analysis indicated to us it was by far, over the long haul, the most cost effective, as well as efficient way, to go. So we went for that technology.

Again, I really think it is a national asset. In my view, as I said last year, it is a hell of a time to have a new program, an expensive program. I felt that the decision made last year based on the information that was given to the Secretary of Defense was probably a good one. They were difficult times, but we really need to look at all helicopter technology.

Helicopters, in my view, are at the upper end of the technology exploitation arena. In other words, there is very little you can do with helicopters to make them faster and more versatile. You can put a bigger engine in them, and you can fool around a little bit with advanced blades and that kind of thing, but you are at the upper bound of physics.

So all of the military and, I submit, Federal agencies need new helicopters. Again, we are talking about the year 2000. The Army has to take another look. Certainly the Coast Guard should. Clearly, the Navy-Marine Corps team has to have something new to replace what we are operating with today. It is the answer to the drug enforcement requirement, to the Customs requirement, not to mention the commercial aspects of regional airports, commuter service, and so on.

It seems to me we ought to look at those requirements in toto. That is the way to make darn sure you have solved the affordability issue. If the answer is helicopters, if you want to fly on a job with helicopter-type technology in the years 2000, 2015, 2020, and 2030, then fine. Let's get the best helicopters we can get for both military and commercial use.

I would submit that it would make a lot of sense to look at advanced technology; and if so, then certainly the tilt rotor, the V-22, would be a high candidate. That is what I have tried to suggest on both sides of the river. Hopefully, something like that will take place.

If the decision is made for the Marines to again be the lead for introducing this technology and providing we get the MV-22, I would hope that it is provided from the top. We in the Department of the Navy have already paid once for having faith in this program and lost. I can say that if we have to take it out of our hide again, I would be very concerned that it would force the Marines to be dramatically out of balance for what the Nation needs.

It is a tough choice and a tough situation.

Senator SPECTER. Thank you very much, General Gray. We will be watching for the report, and if the preliminary indicators are as represented and strongly supportive of the V-22, I think you will find a lot of support here.

Mr. Chairman, I have some questions to submit for the record. I would just like to make a brief statement as to the issue of maintaining our industrial base as it relates to air circuit breakers and the testimony of Vice Admiral Heckman before the House Armed Services Committee where he noted that a British firm was selling circuit breakers very inexpensively, really below cost and apparently dumping, placing domestic producers at risk. The only domestic producer of these critical components is SPD Technologies in Pennsylvania.

My final comment relates to another question which will be in the record. It relates to the NJ ROTC program in Harbor Creek, PA. Having been an ROTC student myself, I would ask that they be given another year to try to beef up their enrollment, because I think it is very good in the long run for the Navy and obviously very good for this small school.

Thank you very much.

Senator INOUYE. Thank you, sir.

Senator Rudman.

Senator RUDMAN. Thank you, Mr. Chairman.

MARITIME PATROL AIRCRAFT

Admiral Trost or Secretary Garrett, either one of you could answer this question. Your own program management on P-7 indicates that it is behind schedule, and the deployment date is probably going to be beyond when we thought it would be. Unquestionably, the problems are not such that they cannot be solved. It is just a question of taking additional time.

That raises the question as to the P-3 fleet and what we may have to do in terms of appropriating funds to keep it viable beyond the time that we were told it would be utilized.

Could you throw some light on that, either one of you?

Secretary GARRETT. Yes, sir; you are right, Senator. The P-7 program, because of some design problems, has slipped, but we are very early in the program, and we are looking at and reviewing, both with the contractors as well as Navy personnel, various avenues to work our way around the difficulties in which we find ourselves.

I am not negative at this point in time, I think we are going to be able to solve those problems. Of course, the P-3 line has shut down. It would be very expensive to reopen that, and I would argue at this point, until we are able to resolve these issues, even a 2-year slip with the P-7 would not, at this point in time, impact negatively on the P-3 fleet.

As you know, we started taking P-3 Bravos out of the Active fleet last year and transferring them to the Reserves, leaving us essentially with an all-P-3 Charley fleet.

So I think we have the time to work these issues out. The real difficulty will come if we are unsuccessful in solving our problems, which I do not believe at this point we will be. I think we will be successful.

Senator RUDMAN. Do I understand you correctly that if the slip does not go beyond the 2 years that you are presently assuming that the present P-3 fleet can continue operationally without additional expenditure for maintenance or overhaul beyond what is normally expected?

Secretary GARRETT. Beyond what is normally expected; yes, sir. We would be able, in my opinion, to operate. We do not need to get into a SLEP program or new construction at this juncture because assets in the inventory are sufficient to cover this period.

Senator RUDMAN. The commonality, one of the things that was stressed in the P-7 program and with the P-3, the late model P-3, now appears to be less than hoped for. What effect will this have on our operational ASW capabilities?

I ask that particularly in light of the, I think, very interesting testimony this morning from Admiral Trost on the Soviet submarine fleet and their building program and so forth. Obviously, our ASW program is becoming more and more important. One of the things that this committee was told at the time that we appropriated funds for P-7, which I remember rather vividly, was that there would be a high degree of commonality between the two aircraft.

It is my understanding from your own program managers that that commonality is going to be a great deal less than we had hoped for. Now maybe that is all right. Maybe there is a way to fix that. Maybe there is a way to work around that. If that, in fact, is so, what effect is it going to have on what we are doing with ASW?

Secretary GARRETT. I do not think it is going to have a negative effect at all. Obviously, the P-7 is going to be a much more capable aircraft and capable of growth as technology changes into the future. That is one of the prime drivers that lead us to conclude that the P-7 is as important as it is in our ASW posture.

The real driver, however, as to our capability, the sensors that we put in the platform, and we are updating the sensors in the P-3 Charleys and those same sensors would go into the P-7.

So the lack of commonality is really more of an airframe issue than it is sensors that are employed in the ASW tactics.

Senator RUDMAN. Well, of course, it was in terms of overall operations costs. That is one of the reasons commonality was stressed, so that we would have an operational cost within what was assumed. I understand that the sensors will be the same, but my understanding is that the lack of commonality will increase costs. When you are taking P-7's and adding them at probably a reduced rate, if I understand what this budget is going to be doing over the next several years, we are going to have a large number of P-3's to maintain bulk, and a small number of P-7's. That leaves us with two different ASW planes to maintain, instead of two similar ones.

If you do not have commonality, you are going to have a lot more cost, are you not?

Secretary GARRETT. I do not think you are going to have a lot more cost. I fully anticipate that when the P-7 comes on line—and it was not scheduled to IOC until the late 1990's anyway—first of all you are going to end up with a smaller manning profile per squadron because of the technology that will go into that platform. So I do not see increased maintenance costs there at all.

The longer we fly the P-3 fleet, maintenance cost per flight hour is going to go up because they age, and that is why it is important for us to get on with the program and bring it into the fleet.

Senator RUDMAN. A final question on P-7. Are you relatively confident that the cost estimates furnished to the committee over the last several years are going to be generally within your forecasts? Do you expect them to be slightly more, or do you expect them to be a great deal more?

Secretary GARRETT. At this point in time I expect them to be more. I would not qualify as "slightly" or "greatly," but I do think they are going to be more.

We are working hard on a number of what I consider to be innovative ways to address this problem, Senator, and we are going to work hard to keep the price relatively close to where we went in. It is not easy, and I cannot sit here and guarantee that we will be successful in doing that, but even the going in the price in 1990 is a reasonable price to pay for the platform and the capability that we are buying.

Senator RUDMAN. I thank you for your answers. I obviously ask the questions because it seems to me as we look at a new evolving world with different threats, from all of the information I have and further added to by Admiral Trost with his excellent testimony today, we are going to have to spend more and more on our ASW capabilities. Particularly, we must examine the concerns of my colleagues from the Pacific States for the concerns expressed about the Pacific rim.

It takes more aircraft to cover that vast area, and we are probably, in my view, going to have to buy more of those than we had originally intended because submarine infiltration of that area may become a principal threat in terms of the whole strategic question.

Secretary GARRETT. Yes, sir; and you know there are others who are very interested in the program. The British have just indicated——

Senator RUDMAN. The British, as I understand from what has been said publicly, are looking at that as a replacement for NIMROD.

Secretary GARRETT. As are the Germans.

Senator RUDMAN. Which is all the more reason to keep the cost, it seems to me, in some relation to its original estimate because of its exportability. I dare say that if you think we have budget problems you ought to talk to the British Defense Minister.

Secretary GARRETT. Yes, sir; we are working hard to do that, Senator.

MARINE AIR GROUND TASK FORCE

Senator RUDMAN. General Gray, I was struck by your prepared testimony, particularly by page 13 to which I am going to refer just briefly. You talk on page 13 about the Marine air-ground task forces, and you talk about enhancing your capability for low-to mid-intensity conflict. You are developing and have developed optimal flexible infantry battalion structures as the building block for that whole program.

You go on to say that you have added a fourth maneuver company to each infantry battalion to improve their flexibility and reconnaissance ability.

You talk about the addition of scout infantry, the light armored infantry battalions.

You talk about reducing heavier units from our Active structure, moving them into the Reserves and streamlining your command elements and combat support units. You go on to say that these adjustments have improved the ability of your expeditionary forces to control and influence larger areas while employing Marine tactics that have previously proven to be relevant to today's low- to mid-intensity threat.

I think that is a very remarkable statement in light of the fact that it is my understanding that you have been doing this for the last number of years now. You have been evolving toward this. It seems to me it is precisely the model that the whole Department of Defense ought to be looking at.

Could you tell us a bit more about how long you have been doing this and when you expect it to coalesce, because that is precisely, I think, what the U.S. Army is going to have to do. It ties into the question that was asked by one of my colleagues on the light tank. More deployable, rapid, and lighter forces to deal with not a heavy conflict in Europe but the kind of conflicts that both you and Admiral Trost talk about potentially.

How long has the Marine Corps been doing this, because it seems to be that you may be a little ahead of your time. Of course, I am sure you will tell me, General Gray, that marines are always ahead of their time, but in this particular case when did this all start?

General GRAY. It has evolved over a long period of time and, of course, that really is what the Nation expects marines to do; to be looking ahead to the kinds of conflict and situations we face. I would like really to answer that in great detail for the record because I think it is an interesting story.

Senator RUDMAN. I wish you would.

General GRAY. In the case of the infantry battalion, just to give you one example, the fourth rifle company for the infantry battalion comes from the post-Korea study of what the corps should look like. At that time we thought that most of the kinds of conflict would be in the lesser developed regions. The actual idea of the fourth rifle company came from a lieutenant colonel who was on a study group in 1956, the Hogaboom Board. He had been an attaché in Sweden during the Russian-Finnish War and observed the rock scissor tactics of the Finnish.

The Board debated for some time, and he convinced the Board that in counterinsurgency, guerrilla-type, revolutionary warfare environments the battalion needed a four-company base to increase reconnaissance, flexibility, and to provide a better capability for civic action. This is all important because we know that in revolutionary warfare there are two rules: Do not make any more enemies than you already got, and never do anything that hurts the people.

So we went to that formation. We had it in Indochina and Vietnam, and it was very effective. We moved away from it in part because of fiscal constraints during the decade of the seventies, and in part from pressure from the Congress. They kept wanting—at least some in Congress—us to look like European infantry battalions. They kept asking, "Why do you have more people in your infantry battalion than the Army, et cetera, et cetera?"

And so we went back to three rifle companies. The fourth was to remain in the structure and the manpower people over time let that go. I never forgot that, and we brought it back just as quickly as we could make that happen.

This is one example and actually each of the 29 enhancement initiatives, some of which you have alluded to, have a similar kind of a story.

So the answer is we are there today. We have some game plans to even get better in the next couple of years. This is despite the gloom and doom of the fiscal reality, which I personally think is a window of opportunity for your marines. It is going to make the marines do the kind of thinking that we should have been doing all along.

So we are in good shape today. We are going to get better.

Senator RUDMAN. Well, General Gray, am I correct that the so-called tooth-to-tail ratio of support to combat has been coming down fairly steadily in the corps?

General GRAY. We have just under 70 percent of your Marine forces today in the operating forces. We think that is probably, by far, the best tooth-to-tail ratio percentage.

There are a lot of Marine forces that we do not talk much about. There are 1,000 marines that provide national intelligence support through the National Security Agency deployed around the world this morning, 1,800 marines in 79 locations that protect Navy installations, nuclear weapon plants, and nuclear rearming. We provide fleet security and counterterrorist teams. This goes on as a matter of routine.

The Marine counternarcotics effort is considerable today. We have people manning radars throughout the Caribbean. We have mobile training teams in Latin American countries. We have others prepared to go to Admiral Hardisty for efforts in the far outreaches of the Pacific basin. We have over 100 people employed in the national intelligence effort with DEA and we are doing the main part of the planning for the Andean Ridge operations. On the demand side, we have 88 junior ROTC's heavily involved in drug-free society lectures to 70,000 students during the last 6 months.

So there are a lot of things that go on besides the three Marine expeditionary forces which are our heart and soul of preparedness. The tooth-to-tail ratio is very good today, and it is going to get even better. There are too damn many trucks in the Marine Corps and too many big things. They are going to go into the warehouses in level A. So we are going to get even leaner yet.

Senator RUDMAN. Thank you very much.

SPECIAL OPERATIONS

Finally, very briefly, are you satisfied with the working relationship that the Marine Corps has with the new office within DOD that we created? I, of course, was very involved in it. The whole special ops and low-intensity areas concepts are something I have always cared about. Is this something the marines are working well with and maybe helping get rid of some of the turf problems that have existed in the past?

General GRAY. I think it is going along very well. That is a relatively new organization in terms of humming along the way the Congress envisioned. We have had a number of discussions with Mr. Lockev. He has been over and he has visited our units. We have provided Marine field grade officers to that shop, and Secretary Garrett has nominated one of our crack brigadier generals to fill one of the billets over there. Whether we get that or not remains to be seen. But I am satisfied that this is moving along quite well.

There are two distinct areas. The first is special operations. We have developed about as fine a capability for a wide spectrum of special operations as we have ever had. We are limited only now by future technology. It would be nice to get part of that.

The second is the low-intensity conflict arena, a much broader type of thing. Here you need both special forces and general purpose forces that are organized, trained, equipped, and taught mentally to deal with that kind of an environment. We also have to remember that it really describes an environment. There is no such thing as low-intensity violence.

Senator RUDMAN. Thank you, General Gray. And I would appreciate for the record if you would expand on your answer on my initial question.

[The information follows:]

The Marine Corps is a small service which must utilize its resources in the most economical manner possible. With a strong, consistent tradition emphasizing readiness for both contingency and conventional combat operations, the Corps conducts an orderly and cyclical review of its missions, tasks, techniques and capabilities to identify areas requiring improvement.

Beginning in 1987, at the personal direction of the Commandant of the Marine Corps, a review of MAGTF warfighting capabilities resulted in definition and implementation of a wide variety of Warfighting Enhancement Initiatives (WEIs). Based on the efforts of a number of study groups populated primarily by front-line officers, WEIs reemphasized the need to concentrate training resources on the honing of vital warfighting skills within the Fleet Marine Forces (FMF). WEIs stretched across all four elements of the MAGTFs: The Command, Ground, Aviation, and Combat Service Support Elements. The WEI Plan sought to improve Marine Corps' already high combat capabilities within a two-year period. Responding to this ambitious, comprehensive plan, MAGTF commanders revised their training schedules, reviewed and revised small and large units tactics, emphasized elements of unconventional warfare, and concentrated on improving individual and team warfighting skills throughout their organizations.

Major reviews of the aggregate capabilities of the Marine Corps generally occur on a biennial basis, the results of which are embodied in a series of service plans. These include the Marine Corps Capabilities Plan (MCCP), the Marine Corps Long-Range Plan (MLRP), and the Marine Air-Ground Task Force (MAGTF) Master Plan (MMP). The MCCP provides strategic direction, the MLRP looks at requirements 20–30 years out and the MMP depicts warfighting capabilities requiring emphasis within 2–10 years. The plans are approved and implemented only after extensive review and validation throughout the Marine Corps. All of these plans were last reviewed during 1988–1989. These reviews examined existing and projected international political and military trends. The objective was to define, to the extent possible, the potential treat to naval expeditionary forces. Changes, evident even in late 1988 in Central and East European political conditions, indicated that the focus for likely employment of Marine Corps forces would shift away from NATO to Third World locations. Conflicts in the Third World generally do not include protracted land warfare, as would be the case in Europe, but are smaller and shorter in scope and duration. That is not to imply that the degree of conflict would be minimal. Again, results of the analysis indicated that the focus of Marine Corps combat capabilities and training should shift toward Low Intensity Conflict and Mid Intensity Conflict.

Senator RUDMAN. I think, Mr. Chairman, that as we start evolving solutions to troop reductions in the Army and the other problems we are facing, this may be a very interesting model in terms of what they are doing, in terms of deployability, mobility, lightness, easy transportability, the very kind of thing that many of us think will be the whole Defense Department of the future in terms of what the threats will be. So, I appreciate your answer and, Admiral Trost, Mr. Secretary, thank you.

General GRAY. Thank you, sir.

Senator INOUYE. General, I think you should note that to get commendation from a distinguished Army combat veteran is something.

General GRAY. We had the privilege of serving together in Korea, so this is a little bit fixed, I guess, but thank you very much, sir.

Senator INOUYE. Senator Bumpers.

Senator BUMPERS. General, that 68-percent FMF forces is pretty impressive. Does that include aviation?

General GRAY. Yes, sir. That is the air-ground-logistics team and the operating forces that I mentioned—Marine security forces, antiterrorist teams, national intelligence capability overseas, and the like.

MULTIPLE-LAUNCH ROCKET SYSTEM

Senator BUMPERS. Would you like to have MLRS? You can tell me; I will not tell anybody.

General GRAY. Yes and no. Your Marine Corps, many of them, artillery men, commanders, leaders, and just about all the staff, advise yes. They like it for all the right reasons. It is a great system. It is a long shooter and has a great impact on the battlefield. It cuts down on the number of people you need, and so it lends itself to tailoring the force structure of the artillery.

My concern has always been that it is big and, as I mentioned last year, it is almost as big as this room. We have to be expeditionary and we have to be mobile. We also have a major affordability issue. I cannot in good conscience support this program looking at an outlay of $150 or $200 million a year for 5 or 6 years to get this system.

We were going to borrow several from the Army and test it out, but even the costs associated with borrowing from the Army was too high. I was trying to trade even. I would give them 15 light armored vehicles, and they would give me some MLRS's. But because of the costs in bringing these MLRS's back, I said no, we are not going to do that.

My own concept would be to take a pallet of MLRS rockets, divide them in half, build a smaller launcher, and rig it in our assault amphibian vehicles and other small mobile launchers. That is what I would do. I am having trouble convincing the rest of the Marine Corps of this idea, but I may win yet.

Senator BUMPERS. When I was in the Marine Corps the Commandant usually won. I remember Lincoln taking that vote, seven ayes, and he voted no. "The nos have it," he said.

SSN-21

Admiral you want $3.7 billion for two new Seawolfs, and I am told that you have got eight attack submarines that you are getting ready to decommission that could be overhauled and kept for 7 to

15 years at a cost of about $1 billion. Why would that not be a good deal?

Admiral TROST. I have two answers for you. First of all, we are not voluntarily giving up good submarines. We are simply being directed, because of fiscal constraint, not to overhaul and refuel submarines that have considerable service life remaining. That takes care of today's forces' answer.

For the long term we have to look to the future and develop the multimission capability inherent in the SSN-21 design so that we can continue to do the job, not for the next 8 years, but for the next 45 or 50.

Mr. GARRETT. May I add to that, Senator?

Senator BUMPERS. Yes.

Mr. GARRETT. I am in part responsible for that decision, so I probably should speak to it.

We have been readjusting the budget since I came on board as the Under Secretary. Within 2 months I was taking $12.5 billion out of the extant budget for 1989. The budgets have continued to come down in a fashion that I consider somewhat precipitous since then.

When we looked into the outyears, as we put together our 5- or 6-year defense plan, it is clear, as Secretary Cheney has testified, that by 1994 we will be spending less on defense than we were in 1939 as a function of gross national product or the Federal budget.

We have to retain within the Navy a core Navy that will serve this Nation and will be capable. So we will retain those most capable platforms. At the same time we need to modernize because the decisions that we collectively will make as we work the 1991 budget and in the outyears, is to build the Navy/Marine Corps for the years 2000, 2005, and 2010.

So it is simple for us to say, "Let us keep the 637's, let us overhaul them; they will run out of their service life before the end of the century." That does not serve this Nation in my opinion, as difficult as those decisions are. But if the budgets continue to come down as they have, as much as 4.5 percent for the Navy in 1991, then we have got to keep our eye on that ball that is just over the horizon, and that is why we have made the decision that we have.

Senator BUMPERS. I do not have too strong a disagreement with that. The only thing is, sometimes we get into this numbers game around here as the admiral correctly pointed out. Used to, we were threatened with numbers from the Soviet Union, how many surface combatants they had, and now you say correctly they are decommissioning 40 ships this year that we have counted in the past and that this committee, this subcommittee has looked at in the form of a numerical superiority on the part of the Soviet Union.

As a matter of fact, Admiral, in your testimony you say that they are now emulating us. They are going for quality, and I think that is a wise thing on their part. I always thought it was a wise thing on our part. But I do not have any quarrel with going with the two Seawolfs and decommissioning these other attack submarines. It is probably a wise military and even economic decision.

DECOMMISSIONING OF BATTLESHIPS

But I stood on the floor and squealed like a pig under a gate for 2 years trying to keep those old battleships from being refurbished, too. It never made any sense.

You talk about manpower, now there is a waste of manpower. How much do we save, Admiral, by decommissioning those two battleships this year?

Admiral **Trost**. Operating cost on a battleship is about $53 million a year all-inclusive.

Senator **Bumpers**. Why are we not decommissioning all four of them?

Admiral **Trost**. Frankly, I am opposed to decommissioning any of them because I think that they continue to play a very significant role in our efforts to provide that forward-deployed presence that deters terrorist actions or regional instabilities.

We are going to decommission those two because we have been directed to. I frankly will support the continuation of the other two knowing that they are manpower-intensive, but knowing also that they provide a degree of survivability, of presence, and of combat capability that we cannot replace at that price today.

"VIRGINIA"-CLASS CRUISERS

Senator **Bumpers**. Now, we are not building *Virginia*-class cruisers anymore, are we, or are we not?

Admiral **Trost**. No, sir; we are not.

Mr. **Garrett**. No, sir; we are not.

Senator **Bumpers**. Are we building anything like it?

Mr. **Garrett**. We are building basically the *Ticonderoga* class, the CG–47 class, which I think we bought out the last five in 1989, and the only other platform that we are building from scratch is the DDG–51 as far as the combatant vessel is concerned.

And I agree with Admiral Trost. I did not want to take that——

Senator **Bumpers**. Well, who overruled you men?

Mr. **Garrett**. On battleships? The people for whom I work, the Secretary and the President, sir.

Senator **Bumpers**. Well, we could spend a lot of time debating that. I still feel very strongly that we would have been a lot better, for example, at that time to have continued building the *Virginia*-class cruiser at one-third the manpower and certainly a much more sophisticated ship.

SOVIET UNION

But let me just make another point. Admiral, on your testimony on page 2 you describe your visit to the Soviet Union in October, and you conclude by saying, "What the visitor also develops is a healthy respect for the immensity of the Soviet Union and the sheer will of the Soviet Union to retain its position as a global superpower."

Now, when you consider the fact that Hungary, Poland, Czechoslovakia, Rumania, East Germany have all left in the last year, that they are withdrawing troops from Poland, they are withdrawing troops from Czechoslovakia. They are giving that up. It would never have happened without Gorbachev's approval, and Kim Il Sung is much more a client of the Chinese than he is of the Soviet Union.

As a matter of fact, about the only thing they have left is Cuba, and Castro is the only person I know that trashes the Soviet Union more than we do, so I do not understand that statement.

Admiral TROST. Well, that statement——

Senator BUMPERS. Where are they demonstrating this will when they have been willing to give up—the Warsaw Pact does not exist anymore.

Admiral TROST. Here is what makes a superpower: economic capability and military power and the ability to influence other people using one or the other. We know their economy is in a shambles. We know, however, that they have continued to sustain a military capability which puts them in the military superpower class.

We know that today they are continuing an upgrade and modernization program for all of their strategic forces. We know that they continue to modernize the equipment even for the elements of the Red Army which are being withdrawn from Eastern Europe. We know that they are continuing very healthy modernization programs in their navy, all of which they showed us.

I also drew in part on my conversations with General Yazov, their Defense Minister, and General Moiseyev, who replaced Marshall Akhromeyev as the senior military officer in the Soviet Union. They continue to state that they feel threatened by enemies from without. They tell each other and us that they need a large army because of the immensity of the land mass of the Soviet Union. They are compelled by their view of the necessity to defend themselves from potential aggressors. And I think anybody on the other side of the border with them is considered a potential aggressor. So they are maintaining a military might on the order of what a superpower would continue to have despite the economic problems that they face.

Senator BUMPERS. But they have actually moved into a defensive defense posture, have they not——

Admiral TROST. They have so stated.

Senator BUMPERS [continuing]. Or are in the process of doing.

Admiral TROST. They have so stated, and that is a political judgment and a political statement and what we have to do——

Senator BUMPERS. But it is also a military statement, is it not?

Admiral TROST. Well, not really. It is a military statement if you say yes, they are pulling people out of Eastern Europe. I think they are facing the inevitability of political rejection by those countries and saying this is the thing to do, and besides, it is going to save money, the impact on their personnel notwithstanding.

It clearly serves their interests at this time to do something to reduce their overall military numbers, both in hardware and in people. But they have not trained center line and said I am now waiting for somebody to punch me in the eye before I look him down. They continue to prove that they have got the capability, as Secretary Cheney says, to be the only country in the world that threatens our national survival. That makes them a superpower in my book.

Senator **Bumpers**. Well, they have that clout just through their strategic forces, do they not?

Admiral **Trost**. Absolutely, they do.

Senator **Bumpers**. And will always have it, as far as I am concerned. The genie is out of the bottle.

Admiral **Trost**. They probably will, based on their current direction.

Senator **Bumpers**. Did you visit with Akkromeyev and Yazov and the other in the defense department there?

Admiral **Trost**. I did not see Marshall Akhromeyev this time. I spent about an hour and 45 minutes talking with General Yazov, who had been to this country the preceding week and whose mind was still fresh with the impressions. I met with General Moiseyev that same day for about an hour and a half. He knows very little about this country. He is currently scheduled to visit within the next 2 months, and I hope that visit takes place, because I think exposure to our country by people who have never seen it markedly impacts them. It certainly made quite an impression on Marshall Akhromeyev when he was here, and I did have an opportunity to speak with him on two of his three visits.

DEFENSE BUDGET CUTS

Senator **Bumpers**. Admiral Trost and Secretary Garrett, I do not want to take up too much of the committee's time. We revisit a lot of the same territory every other day when we have these hearings with various areas of the Defense Department. But you must understand that this subcommittee has a responsibility to try to deal with a national debt that soared past $3 trillion just yesterday, and everybody knows that the Defense Department has to take a hit in our dealing with the fiscal problems of this country. There are not any ifs, ands or buts about that.

And yet we have not received—and Senator Nunn keeps talking about this—we still have not received from the Secretary a new threat assessment. We have seen a sort of a leaked copy unintentionally of the defense planning guide indicating that the Third World is now the threat, and I do not buy that totally. I just think we ought to look at those things very carefully.

But my point is we have spent $2 trillion in the last 8 years preparing to fight a war on the plains of Europe, which now looks pretty remote. Now we are being asked to continue that level of spending. Senator Nunn says we have got to take a minimum of $8 billion and probably $10 to $12 billion off the President's budget. Senator Sasser says it ought to be $15 to $20 billion.

And so unless we receive something soon, the people we rely on like you to tell us what you really have to have based on a specific threat assessment, which in my opinion has changed very dramatically in the last 12 months, you are going to be looking at a bunch of laymen making those decisions for you.

We would a lot rather you come to us and say given these budget constraints, here is what we think we have to do. We do not like it, and we think that this is foolish to cut defense spending. Say anything you want to. I am just telling you, we do not have that happy position of saying we can have it all.

Our national security, you know, depends to some extent on our economy and our fiscal restraints—constraints—and the fact that now, as you know, interest on the debt is going to soon overtake the whole defense budget at the rate it is going.

Let me just ask you, Admiral, if you were—is Yazov the Defense Minister?

Admiral **Trost**. He is the Defense Minister.

Senator **Bumpers**. If you were him and going to report to Gorbachev and you would say Mr. Secretary or Mr. President now, they are building SDI to try to defeat our strategic forces. They are modernizing all strategic forces. They are going to go mobile with their MX. They are going to build the Midgetman. There is no limit on SLCM's. We have allowed them to count ALCM's, for example, one for two. They are going to put 20 ALCM's on their airplanes, and we are only going to count it as 10.

We do not care how many gravity bombs they put on their planes, we have agreed to let them count that plane as one. It may be carrying 40 or 50 gravity bombs. They have got the D–5 missile coming on. They have got a much more sophisticated ALCM and SLCM than we have. They have got the F–117 which they have just unveiled. They have got 97 B–1's, they are building the B–2. And in 1982, the Israeli fighters destroyed 80 Mig's flown by the Syrians with the F–15 and the Kfirs, destroyed 80 of our Mig's and did not lose one single plane.

If you were in Gorbachev's position, how would you feel about that?

Admiral **Trost**. I would say you are absolutely right. They are pretty good, and they have proven it. But let me help you feel better there, Mr. President—am I the President talking back?—OK, I will be Yazov. I will say, they are awfully good but keep in mind that we have got a few things going for us.

In the strategic area, you know, they have got the D–5 at sea, but we have continued to modernize our seaborne missiles and we are in the process today of testing upgraded missiles for our submarine-launched ballistic missile force. As you know, we are doing pretty well in the equivalent of SDI. We have got the world's only ABM system in the Soviet Union and we continue to modernize that, and we have told the world that we can overcome their SDI anyway, and that might constrain their ability to build one.

If you want to look at long-range bombers, yes they have got the B–1 and they might get the B–2, but keep in mind we have the Backfire and its follow-on operational in considerable numbers, and so far we have been very successful in keeping those out of arms control talks.

Sea-launched cruise missiles worry us a lot, because instead of having to target 14 aircraft carriers we now look at 200 potential targets that we have to be able to counter in case they use them, so we will have to be awfully careful about taking on their Navy at sea, because they will probably get us instead.

But do not worry too much about that limit and what they are getting away with with sea-launched cruise missiles, because after all we have in our negotiating position managed to protect at least 2,700 nuclear-tipped missiles in our Navy which are targeted against the U.S. Navy, so maybe things overall are not quite that bad, Mr. President, and we ought to just continue doing what we are doing.

SPACE DEFENSE INITIATIVE

Senator **Bumpers**. Does the Chief still think SDI is a good idea?

Admiral **Trost**. I believe the testimony of the Chairman has been to the effect that we should continue our research and development efforts and not fix firmly on a deployment of any specific concept or a specific deployment date.

AMRAAM

Senator **Bumpers**. Mr. Chairman, just one last question. Tell me about the AMRAAM. Where are we on it? Mr. Secretary, do you want to answer that?

Secretary **Garrett**. The last report I got, Senator, was that they were experiencing difficulties recently but the more recent tests are very good. I would have to answer the question for the record as to where we are specifically. I have not been briefed on it recently, but I know we continue to move forward and I would like to, if I may, answer it for the record.

Senator **Bumpers**. I would just like to make one point. In 1939, we had a 25-percent unemployment rate. The only money we were spending in this country was on defense. That is one of the reasons we were spending more as a percentage of GNP then than we are now. We had no GNP in 1939.

Thank you, Mr. Chairman.

Senator **Stevens**. Senator Cochran.

MULTIYEAR PROCUREMENT

Senator **Cochran**. Thank you very much, Mr. Chairman. When the principle of multiyear procurement was developed, many of us thought that that was a very good idea and applauded the effort to try to use that as a way of keeping costs under better control so contractors could plan ahead and purchase items in larger quantities more efficiently.

I wonder, in that connection, whether the announcement last year, when you awarded the contract for five 1990 ships—the DDG–51, which was already mentioned—whether this reflected a change in policy for multiyear procurements? This program has, as you know, two vendors. Do you still consider this a multiyear contract, and if so, how do you project it into the multiyears—into the outyears?

Secretary **Garrett**. I think, if I am not mistaken, Senator, the 1990–91 ships, both of those, were under a multiyear concept, and the 1990 ships were the first to go forward. Of course, we are yet to see where we are going to come out in 1991.

We would very much like as we look across the universe, the multiyear option which we think will provide us with savings that we are struggling mightily to incur. There are other methodologies and options that we sometimes are able to get, but it does not in this juncture represent a change in policy. That is not to say that events will not drive us to changing the policy.

Senator **Cochran**. One thing I saw the other day was interesting in that regard, Mr. Secretary. It was a projection that in some years in connection with the DDG-51 and the SSN-21, that two SSN-21's would be built in 1 year and then you would skip a year and build two more. The same thing for the DDG-51, that there would be these variable levels of purchases over a 10-year period. Is that something that is really being seriously considered, or was that just a piece of paper that I should not have gotten hold of?

Secretary **Garrett**. I do not think there is any paper that you should not get a hold of, Senator, but as a product of the defense management review we have looked at a number of initiatives in the manner in which we procure and buy, whether they be ships or beans or bullets, and large-lot procurement is a proposal that we made. That is, go on contract in, let us say, 1991 for eight ships, but the production rate would not change. In other words, they would be produced in the same way as if you bought four in 1990 and four in 1991.

Our theory is that the contractor then has the ability, with the subcontractors, to obtain a certain economy of scale in the materials that would be procured. We made that proposal in the context of the 1991 budget that is changing even as we speak, so I cannot say that it is going to reach fruition, but we have seriously looked at it.

We realize that there are a number of people who do not agree with us, and they very well may have some merit, but I want to assure you and the committee that, as it relates to whatever policy evolves, we are not going to do something stupid.

Senator **Cochran**. That is reassuring, and I do not think you are going to do anything stupid either, but I do think that it provides opportunities for those who might want to savage the ship procurement budget. It provides some easier targets, I think——

Secretary **Garrett**. Yes, sir.

Senator **Cochran**. For those who might not want to build any more ships for the Navy, than the multiyear procurement.

STRATEGIC HOMEPORTING

Let me also just comment on one other thing. I had the chance the other day to be in the Pascagoula, MS, area where the naval station is being prepared, and there has been a tremendous expenditure of funds.

I suppose this should go to Admiral Trost for his comments. The strategic homeporting plan is really well underway in terms of the development of this naval station in Pascagoula. Is it your view that that plan is still on track? Have there been any second thoughts about it?

Millions of dollars in local funds are not only being committed but are really being spent. Dirt is being moved, highways are being constructed to accommodate this new facility. Can you tell us what your deliberations in the POM-92 process may be with respect to the plan?

Admiral **Trost**. I can to this extent, Senator Cochran. We are reviewing our entire support structure to make sure we keep our support efforts and the size of the fleet in balance. The problem I face is I do not know exactly what the Navy is going to look like after this year's budget. If I could be assured of the end strength that we are going to come out with, ship and force levels, that would give me a better starting point.

We are dealing with the constant downward pressure on the Navy budget. It is so markedly lower now, compared to what I anticipated even a year ago, that we are reevaluating what the size of the fleet will likely be, and in that context what we need in the support structure. It is going to be under continuing review throughout this year's POM process leading to the 1992 and outyear budget.

Secretary **GARRETT**. Senator if I may add to that, I have taken the position, and Admiral Trost, I think supports me as well as General Gray, that we need to keep the Navy of the future in balance, whatever its size, and that means the combatant assets that we have, the capital assets, the people and the infrastructure. We cannot continue to support an infrastructure that was designed for a fleet that existed 10 or 15 years ago. So we are looking at all sorts of ways to save money. When we went into the strategic homeporting process back in the early 1980's we had approximately 469 ships in 41 ports. We now have 560-plus ships in 36 ports.

As you know, the Base Realignment and Closure Commission directed us out of three of those strategic homeporting sites, so we are now down to approximately five, six if you count Pensacola, which I do not. I think Pensacola has been there since 1829 and will continue to serve the Navy well.

But what we are trying to do is to maintain that balance, and that is Admiral Trost's comment as to what the size of the Navy will be drive the decisions not only on strategic homeporting but other issues involving Navy infrastructure. We will try desperately to keep that in balance, as we have not in previous decades.

Senator **COCHRAN**. I appreciate your response to that, and just express the hope that we do continue to utilize the contribution that is being made by local governments and local taxpayers in reliance on the Government's assurance that they wanted that facility built and used.

Secretary **GARRETT**. We have looked very carefully and as Admiral Trost says we will continue. I mean we have invested—the American people have invested and spent over $385 million on this venture. If we were to cancel strategic homeporting today, it would cost us approximately $225 million to back out of the obligations that we have made and to recompense, if you will, those communities who have raised funds on their own, and we would end up with approximately $350 million of the taxpayers' money in sunk costs and have absolutely nothing to show for it.

That is why I continue to support this initiative, but only as the size of our fleet will support it. If the assets go away, then we will review each of those decisions, hopefully, on an ad hoc basis and, hopefully, the Congress will give us the flexibility to make smart management decisions.

BUDGET RESOLUTION

Senator **Cochran**. In connection with the budget, I just had a copy of an analysis of Senate Concurrent Resolution 110, which is the Senate's budget resolution. The Budget Committee has actually filed this document—filed the bill, the resolution, for consideration by the Senate, and they will begin I suppose working on a final form of this document. If the Senate would enact Senate Concurrent Resolution 110 in the form it is in now, I am advised that we would see some devastating changes in the defense structure that we have right now.

For example, this document suggests that if fully implemented the resolution could cut military personnel by 30 percent. That is like overnight. That is like tomorrow. If this is enacted, this is not a phaseout, this is just it. People are given some kind of document that thanks them for their good work but they are not expected back at work tomorrow. These are real changes which would occur. There is a whole list here which is pretty extreme.

For example, Senate Concurrent Resolution 110, the Senator from Arkansas said a while ago that Senator Sasser suggested a $10 to $20 billion cut. This document, which is that same committee's, that he chairs, document, would reduce defense BA by $35 billion and outlays by $15 billion in 1991.

This is not over time; this is in 1 year. This would cut defense by $26 billion in BA and $12 billion in outlays more than the President's request. That is interesting. If you had not taken a look at the budget and what is in it for defense, this is a good place to start.

Secretary **Garrett**. I understand, certainly I think we all understand, the pressures that we are under, but we also all understand that we have been down this road before. We took these actions in 1945, we took them in 1953, we took them in 1975, and with devastating results in every instance.

I think the price of any kind of combatant involvement is far higher than the price we pay to deter it in the long run, and I think we should adhere to that policy. I think the Navy and the Marine Corps certainly add a great deal to the deterrent posture of this country, and can we do that? Yes; we have done it before. Should we do it? Not in my opinion.

Admiral **Trost**. Might I note, by the way, we talk so casually in this city about cutting numbers of people. We are dealing with real people with whom the U.S. Government and the individual services have a legal contract and a moral responsibility. We do not in any of our services have people standing around saying, "Hey, I am ready to go home." There may be a handful, but not very many.

We have brought people into an all-volunteer service, we have reaped the readiness benefits that go with that all-volunteer force. We in leadership positions have done our best to enhance the quality of life for those people, and for us now to say, you are going—I know you do not want to, but you are going—requires several things.

It is going to require some changes in the law that let us involuntarily kick people out, and the Congress will have to do that, and it is going to have to entail the recognition that we are not going to get those people or their relatives or their kids back the next time the country wants them, because that memory will run for a long time.

I guess I would hope that the same people who want to make that magnitude of cuts in defense also buy a great big white flag to put over the Capitol, because we had better do that and say, just give us time to restructure the next time you threaten me.

Secretary **GARRETT**. Senator Cochran, I would like to add my comments and maybe General Gray will, too.

I think you have about—almost 100 years of military service sitting at this table in combination, and we have been there in good times and bad, and we have worked hard, as Admiral Trost points out, over the years to make the all-volunteer force work, and we have made it work very well and we have probably the highest readiness level, peacetime readiness level, that this Nation has ever enjoyed.

The only reason we have it is because those people have put faith in us and we have put our faith in them, and to treat them as chattels, or as excess baggage at this juncture would be a gross breach of faith. As Admiral Trost points out, not only with the individuals who are in uniform but with those who may follow. We are still in an all-volunteer environment.

So I would just plead with the Congress to understand that these are real, live people out there with aspirations and goals that perform a tremendously valuable service to the other 250 million Americans in this country who have chosen not to put on the uniform.

Senator **COCHRAN**. Thank you very much, Mr. Chairman.

Senator **INOUYE**. Thank you.

Senator Leahy.

Senator **LEAHY**. Thank you, Mr. Chairman. Mr. Secretary, good to see you again.

Secretary **GARRETT**. Good to see you, sir.

LIGHT ARMORED VEHICLES

Senator **LEAHY**. Admiral, nice to see you, and General Gray.

I had a number of questions but in checking with the questions that have been asked, Mr. Chairman, a number of the things that I was most concerned about have already been discussed. It would be redundant to ask them now. But I do have a couple of questions for General Gray.

I went down to Panama shortly after Operation Just Cause and General, you should know that the Marine Corps was praised by marines and nonmarines for their performance in that operation. I was impressed by the briefings that I received while I was in Panama.

Let me ask you a couple of questions. You used LAV's in Operation Just Cause. Now that you have had a chance to review everything that went on there, can you tell me your own impression. What went right, what went wrong and everything else—what is your impression of the performance of those vehicles?

General **GRAY**. We think that the light armored vehicles, as well as the light armored infantry associated with the system, performed extraordinarily well. I think it is useful to recall why they were in Panama in the first place. They brought a dimension to Panama that was somewhat unique in the military. They could operate across the road networks as part of the concept of preserving the Panama Canal Treaty rights. That was the big reason they were there initially, and, of course, that force has been in there now for a couple of years. It is still operative now up along the borders, chasing bad people.

The overall performance really was as expected. We were pleased that we had a couple of LAV's that took as many as 19 or 20 hits and yet nothing serious happened to the warriors in the vehicles or to the vehicles themselves. They provide an added dimension, a lot of usefulness—countersecurity screening, reconnaissance, patrolling, and protecting of airfields and installations.

As you know, sir, the original concept was a family of light armored vehicles: the LAV-25, the basic system; we also have light armored vehicles with mortars; we have them armed with the TOW weapons system for antitanks; we have them for command and control, to include signals intelligence, electronic warfare. We have two programs under development: one, the assault gun variant, and the other, of course, the air defense variant up in your area.

Senator LEAHY. Tell me what are your plans now? What are your acquisition plans? How many LAV-AD's do you need? And are the plans any different from this time last year?

General GRAY. Our overall plan is pretty much the same. We would like to bring on the assault gun, probably the 105 mm. That has been the candidate that most people seem to want to see. The Army has expressed interest in that, as well. Of course, that would drive down the cost if they participated.

We would like to see the air defense variant. We have both a Stinger pedestal-mounted idea, as well as a dual-gun capability.

We have been able to protect the LAV so far in the budget process. It is going to be extraordinarily difficult to do so in the 1992 program objective memorandum and the 5-year budget that follows.

Right now it is in the budget which gives you some idea of the high priority that it has within your Marine Corps. So we will have to wait and see.

Senator LEAHY. Can you keep up current testing? Can you maintain your current testing program?

General GRAY. We believe we will; yes, sir.

Senator LEAHY. Thank you.

As I said, Mr. Chairman, there were a number of other questions I was going to ask that have already been asked. And, from what I understand, the answers covered everything I need. I have nothing further.

Senator INOUYE. Thank you very much.

Now may I call upon Senator Stevens.

Senator STEVENS. Thank you.

Mr. Chairman, Senator Kasten has some questions he would like to submit for the record.

Senator INOUYE. Without objection, so ordered.

V-22

Senator **Stevens**. Mr. Garrett, I have been trying to get the V-22 contractors to bring that plane back here for a demonstration. I would personally like to fly in it myself, as a matter of fact.

Senator **Leahy**. Does the committee have to go with you? [Laughter.]

There is only so much opportunity for comedy around here. [Laughter.]

Senator **Stevens**. I do not think they would let me fly it, but if they would.

The contractors tell me that there is some prohibition about bringing experimental planes back here without your permission. Are you aware of this request?

Secretary **Garrett**. I have not received any such request, nor am I aware of a prohibition. That is not to say that there may not be. But I have received no such request, sir.

Senator **Stevens**. Well, would you look into it and tell me why there should be any prohibition about the V-22 coming to Washington?

Secretary **Garrett**. I will certainly look into it and get back to you, Senator.

[The information follows:]

Under existing policy the Secretary of the Navy must approve the use of any military asset for commercial purposes. If approved by the Secretary, a contractor may lease an aircraft at a fair price but must provide a certificate of insurance. Earlier this year, the Navy agreed to lease the V-22 to Bell-Boeing for a Washington V-22 demonstration to support a "Tiltrotor Coalition" Day which included a brief flight demonstration and a static display. To date Bell-Boeing has not pursued this effort.

While the V-22 is still in the developmental test phase, only Bell and Boeing test pilots are authorized to fly the V-22. Navy contractual agreements with the manufacturer stipulates these very restrictive, but necessary, limitations to authorized flight crews. Navy and Marine Corps test pilots have only recently been allowed to fly in the Osprey.

VLADIVOSTOK

Senator **Stevens**. There are two of them, as I understand it, that could come here. And I would hope that we would have a chance to examine that. I believe, along with General Gray, this is new technology, and if we abandon it I feel fairly certain that other countries will pursue it.

Have any of you ever been to Vladivostok?

Admiral **Trost**. I have not, sir.

Secretary **Garrett**. No.

Admiral **Trost**. Not in open session; I cannot answer that.

Secretary **Garrett**. No, sir.

Senator **Stevens**. Have we got any closed cities to the Soviets?

Admiral **Trost**. Do we have any that we close to them? No.

Senator **Stevens**. I was down in Sandia, and they were down there the other day. And out at White Sands, they were there. Now have we closed a city to the Soviets anywhere in our negotiations?

Admiral **Trost**. Not to my knowledge.

Secretary **Garrett**. Not to my knowledge. We have closed ports. But we open them on a reciprocal basis from time to time.

Senator STEVENS. Well, I understand we are sending some Navy into Vladivostok soon; is that right?

Admiral TROST. We have been discussing with the Soviet Navy an exchange visit as part of this ongoing program, where our ships would visit Vladivostok and theirs would visit San Diego.

ATLANTIC AND PACIFIC NAVAL FORCE STRUCTURE

Senator STEVENS. I am sort of preoccupied today about this situation in the Pacific. You are going to develop a strategy on deployment of the fleets in the future; is that going to be a concept of equal naval structures in the Atlantic and Pacific, or will we take into account the difference in terms of the threat?

Admiral TROST. We constantly take into account, in our fleet balance, the difference in the threat and the U.S. national interests in those regions. As you know, in the Pacific region, our economic interests continue to expand, and our ties with the nations of the Pacific Basin continue to increase. I am sure that will be a factor.

Senator STEVENS. In the Persian Gulf and the Indian Ocean, as well as the Pacific itself, from south and north, are all part of the Pacific Command in Hawaii?

Admiral TROST. That is correct.

Senator STEVENS. And the Atlantic really takes care of the Mediterranean, right?

Admiral TROST. That is right, sir. The Persian Gulf actually comes under the responsibility of the Central Command. The ships that deploy to the Persian Gulf come from both Atlantic and Pacific fleets, and the Atlantic fleet has, on occasion, also provided ships for meeting deployment commitments in the Indian Ocean.

We really try to balance out the overall commitments on our ships so that we protect our people from excessive deployment lengths.

Secretary GARRETT. But that is the beauty, as we all know, of naval forces. They are somewhat fungible and flexible. We can move them around almost with impunity. And I think that is a point that we sometimes fail to remember.

Senator STEVENS. I thought that, from the point of view of responsibility, that the Persian Gulf was in CINCPAC's jurisdiction?

Admiral TROST. No, sir.

Secretary GARRETT. It is CENTCOM.

Admiral TROST. It is CENTCOM.

Secretary GARRETT. It is Central Command.

Admiral TROST. And before that it was under the European Command.

Secretary GARRETT. There is liaison, of course, Senator Stevens, between CINCPAC and Central Command. I believe Central Command has some people on Admiral Hardisty's staff. But the area of responsibility is, as Admiral Trost points out, under Central Command.

General GRAY. Not only the gulf itself, but up to the entrance of the gulf, it is Pacific Command. It is principally a naval commitment and so the fleet provides most of the support.

OKINAWA

Senator STEVENS. General Gray, what is the situation with regard to Okinawa? Are our forces welcome there at Camp Butler now?

General GRAY. In my judgment, I think that our forces continue to be welcome in Okinawa. This is, of course, a topic that from time to time appears in the media. I just came back from a visit to both Korea and Okinawa. I talked to a great many of the local people, as well as the political leadership.

Much of what we hear about Okinawa comes from primarily two newspapers, both reformists in nature, and rarely do the balanced facts come out. But I, again, listened and chatted with a number of the local people. There is always in the Far East a duality, if you will, of information flow. You hear one side, and then people will tell you we want you here and we need you here.

So I think that the posture in Okinawa is good. There are very good community relations going on. I think there is a general recognition that the forces based in Okinawa make an enormous contribution to the stability and to the contingency force reaction capability throughout the entire Pacific rim.

Senator STEVENS. There is substantial force there now; is there not?

General GRAY. Yes.

Senator STEVENS. I have not been there for 2 years, but as I understand it, they have increased even in the last 2 years.

General GRAY. Yes; of course, all the services have forces there. The lion's share of the forces are the Marine air-ground-logistics team. We have just under 25,000 based in Okinawa. This includes our forces that rotate through the Philippines and train with the amphibious forces afloat. It includes our air wing units located in Iwakuni and southern Honshu.

Senator STEVENS. But you have not had any official presentation of views from Japan about the continued increased presence of the Marines in that area?

General GRAY. I have talked at great length to both the civilian and military leadership in Japan in the past year on this topic, as well. The sensing that I get is that we must be always sensitive to the needs of the Okinawan people and the Ryukyus. We always want to try to see things better for them.

As you know it is one of the poorer prefectures in Japan. But, clearly, the sensing that one gets in talking to the Japanese officials is that the Marine expeditionary force located in Japan and Okinawa is crucial to the stability and to the defense of the entire region.

I see no responsible official suggesting a reduction in that force. They know that we are cooperating. They know that we are streamlining the force. They know, for example, that I am moving some things out of Okinawa, or intend to, that have been somewhat provocative. For example, some of the heavier equipment and that kind of thing.

So I believe that they are satisfied with what we are doing.

SONOBOUYS

Senator **Stevens**. Admiral Trost, as we were looking through your budget, we found that the request is 50-percent reduced for sonobuoys.

I have been looking to see, frankly, in terms of the problems we face right now, about the current year's adjustment for Panama, Okinawa, and reduction in the budget to absorb that pay increase that is still a problem. We had some other items that we have to absorb this year, or you have to absorb, that this committee is working on, as you know, the reprogramming.

And I was intrigued to find that they have already reduced the sonobuoy procurement rate by 50 percent. Now does that mean your training level that involves sonobuoys has already been reduced that level?

Admiral **Trost**. No, sir. It really means that, first of all, there are somewhat fewer P-3 air crews as a result of prior-year budgetary cutbacks, where we reduced somewhat the numbers of aircraft per squadron, and also the crews that would have manned them.

It also says there is a lesser activity level out there to track on a real-world basis. And the current expenditure rate is based on maintaining the proficiency of those crews. Even if there is no target, you have to learn how to monitor a buoy field to be able to use one.

The training continues. We have production hot lines, and we accepted the fact that we could drawdown somewhat on our stockpile in the current world environment in order to continue training, but also to save some money in procurement as we knew we could speed up the production whenever we needed it.

SSQ-77

Senator **Stevens**. Well, I am told the SSQ-77 will be terminated entirely.

Admiral **Trost**. I cannot speak to the specific numbers. I can answer that for the record. I know of no termination of anything that is currently required, unless we have an excess inventory.

Senator **Stevens**. I am really interested from the point of view of whether or not some of this reduction that has to be taken could be taken in terms of the level of O&M expenditures that relate to the higher level of training we have been conducting in the past when the threat was perceived to be higher.

Mr. Secretary, have you looked at it from that point of view?

Secretary **Garrett**. We have looked at it from about every point of view you can imagine, Senator, and have come down as you see the budget before you.

I, too, do not know that the SSQ-77 has been terminated. I mean we have $25 million I think in the 1991 budget for that particular sonobuoy. But as the Admiral points out, actual usage has declined as activity has declined. But our training level remains a requirement, as I see it. But, again, we have to balance that as we balance everything else.

NAVY/MARINE GUARD

Senator **Stevens**. When Admiral Trost was in—I mentioned the fact that we have the Air Guard, we have the Army Guard, but we have no Guard—no participation of the States in maintaining a ready force for either the Navy or the Marines.

And there is a significant support in Congress for trying to upgrade the Guard forces as we proceed with the standing Army and Air Force and Marines, which may be coming down in levels in the years ahead.

Have you given any consideration to the concept of a Navy Guard or Marine Guard to take its place? Or are we going to continue to rely upon the Active Reserve components of the Navy and Marines?

Admiral **Trost**. I have looked at the subject in a fair degree of depth since we talked the other day. And I have with me a point paper which I was going to provide to you. I can also provide it for the record.

[The information follows:]

The Marine Corps is under the impression that the formation of State Naval Militias is a prerogative of the states. Each state assesses its needs relative to many factors including self-interest and affordability, whether it be for a National Guard or State Naval Militia. It may be a matter of economy, in that the expense and affordability of State Naval Militias, may be cost prohibitive. As part of this nation's naval forces, Marines rely on reserves for rapid sustainment and additive combat power to deployed forces or forces already committed during a time of crisis. Considering future fiscal austerity, it is with this priority in mind that the Marine Corps views and provides the operational focus for our reserves.

The Marine Corps is committed to a continuous process of shaping and honing its forces, both active and reserve, to enhance combat readiness. This continuous assessment enables us to pursue initiatives to progressively improve Total Force readiness throughout the Marine Corps. Simultaneous and qualitative reviews of our active and reserve structure will be conducted as necessary to ensure success.

The Marine Corps remains committed to warfighting readiness and will continue to examine and reexamine those capabilities which are essential to guarantee this readiness. Preservation of active force capabilities ensures that active Marine Corps units are focused and tailored for timely response to a crisis, to an emerging contingency, and to expeditionary operations in general.

The Marine Corps attempts to analyze all factors to provide the most cost effective forces possible. Our assessment process examines such realities as; peacetime commitments and force projection requirements, the probability of occurrence of certain levels of conflict, CINC OPLANS, time factors pertaining to reserve availability, movement times (closure), and the rotation base and budget/cost. Using this general criteria, the Marine Corps prioritizes essential capabilities and factors within the realities of affordability. However, given force reductions, we are taking a hard look at force structure, identifying core absolutes, making tough comparisons and acutely examining methods for streamlining. We intend to identify essential structure for retention in the active forces while highlighting the need to retain like capabilities in our reserve structure. The objective is the development of an optimal, lighter, active force which can be "heavied up" by reserve forces in keeping with our goal of attaining and maintaining a strong and viable Total Force.

The Marine Corps views its reserve forces as a full partner which provides the vital dimension of depth to our active forces should the need arise. We have demonstrated our commitment to the partnership by endeavoring to modernize our reserve forces at the same pace as our active forces. Experience has shown that training on like equipment not only enhances readiness but facilitates rapid assimilation of forces. In regards to training, the key is to strive for the optimum degree of active and reserve force integration.

We must continue to operate today as well as plan for the future. The vision for modernizing the Corps for the 21st century and beyond is based on developing and maintaining multi-mission capable forces. Forces that are flexibly sized to the mission, possess the characteristics of speed and mobility, and have the highest probability of future employment. Equipment modernization decisions must be consistent with maintaining a force capability which task organizes an integrated air-ground-logistics force appropriate to the situation. Our reserve force is integrated into this process because of our "building block" methodology. The prime distinction between active and reserve forces is the legislation which governs availability. Availability directly impacts upon closure times.

In this regard, the Marine Corps will diligently plan for deployment and employment across the spectrum of conflict with both active and reserve forces. Since the Marine Corps plans to use its reserves "up front" and alongside the active forces, we will ensure that our reserve forces possess modern equipment and continue to pursue maximum integrated training.

Issue: Why aren't there state naval militias similar to state Army and Air National Guard (ARNG/ANG) organizations?

BACKGROUND

State naval militias are authorized. Under 10 USC 7851, a state may, at the discretion of the Secretary of the Navy, organize a naval militia.

—California, New York, Virginia and Alaska have naval militias or comparable state-sponsored naval organizations. Since navies are expensive to acquire and operate, these state organizations are more "social" than military and are not integrated with the Naval Reserve.

Federal support (vessels, armament, equipment, other facilities) may be provided to a state naval militia at SECNAV discretion (10 USC 7854): if 95 percent of the members of a state naval militia are members of the Naval or Marine Corps Reserve; and the organization, administration, and training conform to prescribed standards.

Naval Reserve Forces Act (1916) authorized mobilization of state naval militias.

Currently, there is no federal funding/assistance being provided to state naval militias. (No evidence that any state has asked for it.)

DISCUSSION

State naval militias were more common prior to 1915. After they were federalized in 1917 as U.S. entered World War I, they were not reestablished on a large scale.

There appear to be two reasons why state naval militias have not been established: a general lack of interest in establishing naval militia on the part of most states. (If they want to, the law allows it.); and where states see a benefit in having ARNG/ANG units to respond to floods, fires, riots, etc., they may not perceive a benefit in having a naval militia due to the nature of Navy's traditional missions. (ARNG/ANG capabilities are a better fit with the states' requirements.)

Cost is also a factor. There is no reason for the federal government to promote the establishment of state naval militia by offering funds since Navy does not require state militia to meet its mobilization requirements as do the Army and Air Force.

ARGN/ANG provide about 60 percent of the trained mobilization manpower for the Army and Air Force. (Federal government shares the cost of these forces with the states but does not have to pay the whole bill.)

At mobilization, Navy's immediate requirements (which are less manpower intensive than Army/Air Force's) are met by the Selected Reserve.

Organizationally, current Navy setup facilitates effective integration of active and reserve components in peacetime as well as during mobilizations, and provides a single, direct line of control to augmenting/mobilization forces through Commander Naval Reserve Force (Echelon II commander).

Support functions—administration, training, equipping, etc. are also simplified.

RECOMMENDED NAVY POSITION

Matter for states to decide.

Admiral TROST. The bottom line is that we have looked on a number of occasions at an expansion of the State Naval Militia Program, but in order to receive Federal funding, it would have to come under the same constraints that apply directly to the Naval Reserve, and that would complicate the overall command structure of the Active and Reserve naval units. The Navy, therefore, opted to continue its reliance on the Naval Reserve nationwide as the backup force to the Active component.

Senator **Stevens**. Well, we are going to have to accept your judgment on that I think. It is a matter of your decision. But I do hope that you can really keep us current on the needs. Because I perceive a shift now into the Guard funding. And I do believe that you are liable to be shortchanged unless it is really emphasized that there is a difference between Reserve and Active, or Ready Reserve as far as you are concerned.

I have been reminded that when the Soviet Navy visited Norfolk, there were a group from the Soviet Commissar types that were on board—will you take us to Vladivostok?

Admiral **Trost**. We do not have those same types. We were nonetheless permitted to bring in several people. They were interpreters and accompanied our ships when they visited the Black Sea port of Sevastopol. We also were permitted to bring in several members of the working press.

Senator **Stevens**. I do hope that you will consider having some sort of a civilian presence, and maybe even a congressional presence if you do get in Vladivostok. That obviously bugs me a little bit. I cannot understand that in terms of these days of opening new avenues of approach to our respective countries, and why the sensitivity about Vladivostok.

But we will have to pursue that later.

Thank you, Mr. Chairman.

Thank you, all.

Senator **Inouye**. Thank you.

Before closing the hearing, I would like to make a few observations and ask your views on whether you believe my observations to have merit or not.

Notwithstanding the criticism that we hear quite often that military spending is money down a rathole and it is not productive, I believe that experience has shown us, especially in aircraft, that military aircraft has in fact kept our commercial aircraft industry in a superior position.

DC-3's and 707's are just two examples.

V-22

In the same light, I believe that we are missing the boat if we do not get involved in the Osprey. Because it is the thing to come. All communities are asking for shorter runways. The cities are now getting too crowded, so they want these short runways.

I would hope that the admirals and generals in OMB would reconsider this.

What do you think?

Secretary **Garrett**. Well, sir, I think your observations are correct. And, of course, as the General pointed out, we have been working these issues for a number of years. It is a new technology. I know that the generators of this technology have been working on it almost 40 years. They started back in the 1950's working tiltrotor technology.

However, at the same time, there are all forms of new technology that are out there and coming on line. And as the general points out, while we supported this program for a number of years, we have reached that point, Senator, where the rubber has hit the road relative to affordability.

And I agree with you that the military spending that has occurred over time, certainly in the aviation industry, has allowed us both commercially as well as militarily, to maintain that technological edge, which is one of two that I see. The other is our people. The quality of our people and the quality of our technology.

Certainly, it is not the quantity of aircraft that we have or the quantity of ships that give us the edge. It is our technology. But the Secretary, as you know, looked across his horizon or his universe of issues, and determined that that program was unaffordable, as has the President.

And I have to support them in that decision, notwithstanding the fact that the technology is desirable. There are other technologies equally as important in my view that we may have to step back from, as well, as the budgets continue down.

HEIGHTENED ARMS RACE

Senator INOUYE. The very important and powerful Budget Committee has seriously recommended further cuts in the defense based upon the events of recent days in Europe and elsewhere, but I contend that with the crumbling of the law a new dimension is now being developed in the world scene.

We will soon see a heightened arms race in other parts of the world, one fed by the United States and Soviet Union because we are going to have a lot of excess armaments to distribute. We have already sent out 700 M-60 tanks to Egypt, 300 more until we get there, and we are going to have shiploads of other goodies to pass around.

Then we have the rhetorical violence that is now coming out of the Middle East, not only rhetorical but backed up by technology and capability that is present which could involve that part in a nuclear exchange. Although the former Director of the National Security Council, Dr. Brezinski, has said that if we had a nuclear exchange there it will be of no major concern to us, I believe that if something like that should happen the super powers are going to be sucked in, and if we get sucked in we had better be prepared.

Do you agree with that assessment?

Secretary GARRETT. I agree emphatically that we should remain prepared. We have been for the last decade, and I think the American people, if they reflect on what is happening, will understand why.

One of the primary reasons is because we have, as a nation, been prepared. That preparation not only fosters the kind of stability and the kind of change that we see, but it is the deterrent that we as a people need in order to avoid as I alluded to earlier, the monumental expense that comes with any type of confrontation, be it the Persian Gulf type of confrontation or a larger contingency.

The American taxpayers were spending $30 million a month in the Persian Gulf; money that was coming out of the Navy's budget which was not programmed or budgeted for. It is sort of being penny wise and pound foolish, if you will, when we do not continue to at least protect a moderate level of preparedness for our forces.

Because I believe, Senator, as I sit here today, that our forces will be engaged somewhere in this world, and none of us can foresee today whether it is in the Middle East or somewhere in the Pacific or somewhere in the Caribbean. History tells me that.

If we are not prepared, then those of us who sit at this table and those of you who sit in the Congress have not served our people well. If we can maintain that level of readiness, which I think the program that you have before you reflects, within the constraints in which we are operating, we believe that we can maintain a credible deterrent.

If, however, we start changing the OPTEMPO; if we start creating vacuums around the world because of no presence which has proven so fruitful to us, we are inviting the very same kind of situation that you envision, and there is no question in my mind but that it would be very difficult for us as a world leader to avoid being inextricably sucked into one of those types of situations.

READINESS AND PREPAREDNESS

Senator **Inouye**. Do you also agree that, notwithstanding the euphoria of peace, at this moment on the 36th Parallel there are two massive forces facing each other, ready to move at any moment, and if they do move we would be almost required to move, and if we move somebody else will move?

Secretary **Garrett**. We have been there before, sir. I do agree with that.

Admiral **Trost**. I think there is a tendency to be shortsighted in our country. When things go well, we want to capitalize immediately. I think we forget that much of what has happened in the world today which we see as a favorable trend is a direct result of our own national security posture over this past decade and the fact that we were not someone with whom you could race and win. To dismember that now disregards the fact that the very conditions we applaud have resulted in considerably less political and economic stability in many parts of the world today.

So to let down our guard now is foolhardy.

Senator **Inouye**. Many people have labeled me a dove. I would like to say that I am a cautious dove who does not wish to be shot down.

General **Gray**. Mr. Chairman, may I make just a comment about this and perhaps have permission to add some things for the record?

Senator **Inouye**. Yes, sir.

General **Gray**. I think that we are really getting down to the real issues now. Clearly there is a need for readiness and preparedness. The question is, How much?

Within that construct, certainly the sea services, the maritime services, ought to be in the lead in terms of this readiness and preparedness. It does not mean that you should not have some Air Force units in a high state of readiness. We do, and we need that, nor within the Army.

When you look at the emerging situation, if in fact we are serious about looking at a strategy and looking at the requirements, there has to be a certain amount of sequencing emerge in the thought process. By that, I mean not everybody has to be ready to go tonight. There are certain kinds of forces who normally are involved in presence, forward deployed, and operating in those areas of the world so that we do not create vacuums. These are normally your expeditionary forces and your first forces to be used.

Then in the sequencing idea, economy of force if you prefer, you can bring more capability in should it be needed.

I am also bothered by what was said earlier about operational tempo, size of forces and where you have to go. In my view, you need to have about the size naval power capability you have today to meet your commitments. Sure, you can trim a little here and there, but the point is that we are not as operative in key parts of the world today as we should be.

We have some voids already around littoral areas and the African region. Our aggregate usefulness and influence in terms of projection of capability is not what it should be in the Indian Ocean, nor is it in the vast regions of the Pacific.

That is another way of saying that naval employment has to be examined very carefully here in the months and years ahead to be even more versatile in terms of presence. That is going to be extraordinarily difficult to do if we reduce the structure down much below what you have today. You have barely what I call a regional conflict plus capability out there today. It is not just in the carrier battle groups. It is in all of the ships that we need to establish this presence and capability.

So I think you are at the margin to have the kind of preparedness to which you have alluded here in the closing part of your discussion with us. If we face these Draconian cuts that we hear about, as has been expressed by the Budget Committee and the like, I would hope that people would look at the strategy and look at the way it is cut. If it comes down in the classical one-third/one-third/one-third, or with a lack of logic, then we are going to face some extraordinarily difficult times ahead. We are going to drive up the risk beyond what I think the Nation can afford.

Senator INOUYE. General, your fine words will be the last words.

Before we close the hearings I wish to thank all three of you. May I tell you that you have been extremely helpful, and I think your strong statements—and they have been strong—will assist this committee in articulating what I think are the real needs of the Defense Department.

Before we recess, I would like to once again wish you, Admiral, fair winds and following seas in the years ahead, sir. You have our very best.

ADDITIONAL COMMITTEE QUESTIONS

We will submit the balance of the questions for response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO THE SECRETARY OF THE NAVY BY SENATOR INOUYE

Ship Operations

QUESTION: Mr. Secretary, given the reduced level of Soviet fleet blue ocean operations and the lessening of international tensions, is it possible to reduce the level of U.S. Navy ship operations?

ANSWER: Over the past two years, reflecting the de facto ceasefire in the Iran-Iraq War, the U.S. Navy's forward deployed operating profile has been modestly reduced. For example, the number of surface combatants and minesweepers in the Gulf has been trimmed substantially. At the same time the requirement for year-around battlegroup presence in the Indian Ocean has been halved. The number of surface combatants assigned to battlegroups has been reduced on average by 45 percent. Even so, these "savings" have been applied globally as the Navy takes up additional missions such as counternarcotics in the Caribbean and the Eastern Pacific, and reassumes its traditional presence in areas around the world (the so-called "Third World") where U.S. and allied interests have been historically placed at risk, and where intelligence indicates crises may occur in the future.

Naval forces provide a broad diversity of capability in deterring and countering the Third World threat which increasingly involves technologically advanced weapons in the hands of unstable regimes. 102 countries worldwide now have cruise missiles. 41 countries have naval mining capability. In the Third World alone there are 250 diesel submarines.

Naval forces, now and for the foreseeable future, possess the mobility, flexibility, sustainability, "reach," and overall capability to favorably influence events in these often remote regions of the world that are strategically important to the West not only for their resources and markets, but also for the position many of them have relative to vital sea lines of communication.

Question: What would be the impact on readiness of a twenty percent reduction in general purpose forces operating tempo (from 50 days to 40 days for deployed forces and from 29 days to 23 days for the nondeployed fleet)?

Answer: A decrease in OPTEMPO of twenty percent would most certainly have a negative impact on the readiness of our general purpose operating forces. Although OPTEMPO is a key factor in obtaining readiness, it is not directly reflected by readiness evaluations as one would statistically expect. Therefore it is impossible to quantify the exact loss of readiness that would be experienced for any given reduction of OPTEMPO. For nondeployed ships, a twenty percent reduction in OPTEMPO would directly inhibit their ability to complete all aspects of their pre-deployment readiness training. Major engineering safety inspections and weapons systems trials require underway days to ensure safety and proficiency in operation. Even at today's level of OPTEMPO, we are required to conduct extensive battle force inport training to achieve a proper state of combat readiness. Although this training supplants underway time, teamwork under the unique conditions of seagoing warfare cannot be realistically simulated ashore. For our deployed forces, OPTEMPO directly affects the ability to maintain the combat effectiveness with which they deployed. A prime example of this is carrier deck landing qualifications. A pilot not having made a night landing within 7 days or a day landing within 14 days requires requalification to ensure safe operations. This requalification becomes more detailed with longer non-operating time periods. The ability to operate safely is the first requirement of operational readiness. Additionally, our ability to smoothly interface with our allies as a combined fighting force would be diminished, while participation in bi-lateral and multi-lateral exercises would necessarily be curtailed.

QUESTION: Given the reduced level of tensions, why would a reduced readiness level not be acceptable?

ANSWER: The standards of readiness required for naval forces are dictated equally by the need to operate safely, to be prepared for self-defense, and to counter threats across the broad spectrum of conflict. When readiness and training decrease, the accident rate goes up, and proficiency goes down; we lose good people and expensive equipment, and performance is less than optimum. Our most sophisticated combat systems and aircraft can not operate safely and effectively if their operators are not trained and ready.

A reduced level of bilateral tension with the Soviet Union does not necessarily equate to a commensurate reduction in the threat posed by a number of Third World nations. Our forces operate in trouble spots throughout the world on a daily basis where technologically sophisticated weapons are in the hands of unstable and often unpredictable international actors. The capability to engage in multi-threat warfare is no longer the sole province of the two superpowers. 102 countries globally possess anti-ship cruise missiles and there are nearly 250 diesel submarines in the Third Word. One need only to glance at the front page of the newspaper each day to see conflicts that could potentially involve the U.S., by accident or design. We have faced an average of 6 crises a year since World War II, with the vast majority being in the Third World. There is no sign the rate will decrease.

Given these realities, the need to maintain a well-trained Navy and Marine Corps, even in the face of declining resources, is an enduring requirement. We must remain ready if we are to be able to execute required tasking.

TRIDENT SUBMARINE

QUESTION: The Secretary of Defense has informed the Committee that the Navy's plan to continue production of Trident submarines at one per year is consistent with our START treaty negotiating limits.

Secretary Garrett have you reviewed this issue and do you agree with Mr. Cheney's assessment?

ANSWER: I have reviewed this issue and agree with Mr. Cheney's assessment. START places no direct numerical restrictions on SSBNs. Under START the numerical upper limits are simple and straightforward. The United States could deploy up to 25 operational TRIDENTs and account for 4800 of the 4900 Ballistic Missile Warheads authorized under START. This, of course, will be determined by the evolving ICBM/SLBM mix of our future strategic force structure.

Additional TRIDENT submarines are required to properly replace the retiring POSEIDON force (all reach end of life by 1999) in order to fulfill our national security goals. The current building rate of one ship per year is required to limit the drop in the number of deployed SSBNs and is consistent with our START negotiating positions. The proposed timetable for implementation of a START Treaty does not require early retirement of any SSBNs. An additional point to consider is that there are costs associated with even a slowdown of the building rate to one TRIDENT every two years. This would result in a $180M increase in the cost of each ship.

QUESTION:

Can you tell the Committee how you arrive at this conclusion and what assumptions you are making regarding the deployment of land based missiles?

ANSWER: In order to answer this question I will first review some pertinent facts:

(1) As has been stated many times, our future strategic force structure should continue to evolve based on changing threats, emerging technologies, and fiscal realities.

(2) The TRIDENT system is the keystone of our nation's survivable strategic deterrence, providing a viable system capable of protecting this country well into the next century. Its improvements over existing systems include greater survivability due to increased missile range and a significantly quieter submarine; and hard target kill capability resulting from higher yield and increased accuracy. These improvements produce greater TRIAD flexibility and reliability.

(3) In order to replace the retiring POSEIDON force (all reach end of life by 1999) and to support our national security goals we need a production rate of one TRIDENT per year.

The size of the TRIDENT fleet is determined by strategic requirements not potential START Treaty limits or an evolving ICBM force. At this juncture, I feel that it is imprudent to reduce the capability of the proven and survivable TRIDENT system for unproven systems under development or for vulnerable fixed ICBMs.

Question: Will continuing the planned strategic modernization program, MX, Small ICBM and Trident force the Navy to retire Poseidon submarines prior to the end of their thirty year service life? Why or why not?

Answer: No. All Poseidon class submarines will reach 30 years of service life by the end of CY-96. Assuming a START treaty by CY-91 and a seven year drawdown, there will be no required early retirement of Poseidon submarines.

QUESTION: What is your current force level objective for Trident procurement, 20, 25, or more? How does this level match with START limits?

ANSWER: The future strategic force structure mix of ICBMs/SLBMs is currently under review. The START upper limits are straightforward and equate to the United States being able to deploy up to 25 operational TRIDENTs and account for 4800 of the 4900 Ballistic Missile Warheads. The current building rate of one ship per year is required to limit the drop in the number of deployed SSBNs and is consistent with our START negotiating positions.

QUESTION: Do you plan to cancel the TRIDENT program after 20, 22, or 25 submarines have been purchased?

ANSWER: The TRIDENT program itself will continue well into the next century. Procurement will cease once we have achieved a strategic force structure consistent with our assessment of the changing threat, emerging technologies and fiscal realities. As we have stated before, building one TRIDENT per year is consistent with that assessment and is within our START Treaty negotiating limits.

QUESTION: The cost of the TRIDENT submarine in fiscal year 1991 is $1.4 billion, an increase of $130 million or ten percent over the 1990 cost. Considering this increase, changes in the threat, and the START treaty limits, why would it not be prudent to purchase TRIDENT submarines at a rate of one every other year?

ANSWER: Reducing the building rate to one every other year will increase the cost of each TRIDENT by approximately $180 million per ship due to labor force adjustments, quantity pricing for GFE/CFE, and overhead redistribution by the shipyard.

SSN-21 SEAWOLF SUBMARINE

QUESTION: Mr.Secretary, I have been told that you awarded a contract for the first SSN-21 submarine, even though you did not have sufficient funds appropriated to complete construction of this submarine. Is this accurate and, if so, can you explain how this happened?

ANSWER: While the bid exceeded the amount budgeted for SSN-21 basic construction, there were sufficient unobligated funds within the amounts appropriated for the program to make this award. In consideration of a previous GAO ruling regarding the program full funding concept, we deobligated a portion of the SSN-21 nuclear core funds financed in the Advance Procurement line. These funds could be deobligated on the basis that if the Congress did not support additional funds, thereby effectively denying continuation of the SEAWOLF program, the DOE-funded prototype reactor core could be diverted from its intended use at a land-based prototype site for the SSN-21 class to support construction of the lead ship.

In the FY 1990 appropriation review process, the Congress noted the cost growth on the lead ship but expressed its support for continuing the program by directing the submission of a reprogramming action which will provide the funds necessary to finance the procurement of the lead ship core with SCN funds as originally intended. The reprogramming action will also provide for the remaining requirements to complete lead ship construction.

QUESTION: Mr. Secretary, noting the $1.9 billion price tag on the SSN-21, which includes a cost increase of 10% over your previous estimate, is the Navy reconsidering its plan to purchase additional SSN-21s?

ANSWER: No. The SEAWOLF Class is the only submarine which meets the requirements.

QUESTION: In Fiscal Year 1991, your request includes $3 billion for purchase of two submarines. Considering the 10% cost increase experienced to date on the first submarine, what confidence do you have that this is the right amount?

ANSWER: Budgets for follow ships have been adjusted to reflect lead ship experience and current OSD inflation projections. As economic conditions change, follow ship costs may need adjustment. It should be noted that if declining defense budgets slow the rate of production of SEAWOLF Class ships, the economic and production factors on which the follow ship cost estimates were based will change.

QUESTION: Mr. Secretary, at $1.5 billion per submarine how will the country be able to afford enough submarines to maintain a submarine fleet of 75 - 100 submarines?

ANSWER: As I have previously stated, the national military strategy and the projected threat require that the SSN-21 be built in sufficient quantities to maintain our current force level. The SSN-21 has the quantum improvements in quieting and sensors that are necessary to meet the projected 21st century threat. In addition, the SSN-21 has the multimission capability required to implement national policy across the entire spectrum of possible conflict -- from regional to global.

Without the SSN-21, the United States Submarine Force will consist of 62 SSN-688 Class submarines by the year 2005. These ships, while capable of maintaining our present undersea superiority, have no capacity for future improvements to face the projected threat. Building the SSN-21 in numbers is absolutely vital because it will ensure our undersea superiority and provide naval power projection capability well into the 21st century.

NUMBERS OF CARRIERS

QUESTION: Mr. Secretary, how can I defend keeping a carrier in the Mediterranean Ocean, in effect necessitating support of three carriers in these times of reduced tensions?

ANSWER: Current carrier deployments to the Mediterranean Sea support the southern flank of NATO and also provide the ability to deter and respond to contingencies in the Middle East and North Africa. The importance of forward deployed carrier operations in the Mediterranean Sea can not be understated. In times of global war with the Soviets, NATO is critically dependent on sea control of the Mediterranean for logistical support of the land campaign.

The importance of our carrier presence in peacetime is equally vital if we are to deal with endemic regional crises. The murder of LCOL Higgins, the Aquille Lauro hijacking incident, the Lebanese civil war, and instability caused by Libya throughout the past decade provide a few representative examples. Contingency response in the Mediterranean Sea is becoming increasingly challenging as nations of the region dramatically increase the technical sophistication of their weaponry--high performance jet aircraft, diesel submarines and cruise missiles are of particular concern. In addition, it is increasingly evident that overflight and base rights in the region will remain problematic. All of these will continue to place a premium on flexible and mobile naval forces.

The operational considerations that dictate maintaining combat ready naval forces in the Mediterranean Sea must be counterbalanced by the need to operate our forces in peacetime in a manner that allows us to retain our best personnel and properly maintain our ships and aircraft. We do this by operating our forces under guidelines which carefully balance operational requirements at sea with reasonable periods of time in and around home port to accomodate personnel and material concerns.

We must maintain our current force levels to preserve this critical balance between operational requirements and the needs of our most important resource--our people.

QUESTION: What would be the impact of recalling forward deployed carriers on the ability of the U.S. to respond to situations in a timely manner?

ANSWER: In times of crisis, forward deployed carrier battlegroups convey a calculated ambiguity of intent and provide policy makers with the means for a calibrated response. At the same time, their presence on the high seas does not irrevocably commit the United States to a given course of action. Of particular value, carrier battle groups can remain indefinitely in a crisis region, off shore, over the horizon, unseen but not forgotten and ready to operate at varying orders of magnitude. In addition, as the locations of future conflicts become more uncertain and diverse, and as our overseas basing infrastructure decreases, reliance on these forces is likely to grow.

Withdrawing our forward deployed carrier battlegroups would: reduce our ability to effectively deter crisis situations from developing and escalating, and increase the likelihood of combat; result in malpositioning of our forces with time-late contingency responses; and ultimately risk ceding influence the United States enjoys globally.

TACTICAL AIRCRAFT

Mr. Secretary, the Navy has been forced to make difficult choices in its aircraft programs during the past few years, recommending the termination of the A-6 and F-14 aircraft, and supporting the A-12 and Navy ATF aircraft.

QUESTION: Do you still support this plan, or would you prefer to give up the A-12 or Navy ATF in favor of continuing production of existing aircraft?

ANSWER: Our fleet commanders need the warfighting capabilities embodied in modern aircraft. Sophisticated defenses are proliferating into the Third World, so even as the range of our potential opponents becomes more diffuse, we must provide our carrier forces the means to prevail in whatever combat comes. The A-6 is a 30-year-old design that lacks stealth characteristics; I could not give up the A-12's advantages to procure more A-6s.

We have begun to upgrade F-14 capabilities from F-14A to F-14D, providing an essential digital capability for employing advanced weapons in our fighter force. The F-14D is designed to bridge the gap until NATF becomes available to the fleet.

QUESTION: Mr. Secretary, the Navy has stated at other hearings that the A-12 is its highest priority in tactical aircraft; is this correct? how does this priority compare with the Navy ATF program?

ANSWER: The A-12 is the highest priority naval aviation program. It is not anticipated that this will change. The NATF although somewhat lower in priority than the A-12, is a vitally important program and will remain among the top priorities of naval aviation.

QUESTION: Mr. Secretary, I understand the ATF and A-12 programs are both under review by Secretary Cheney; What has been your input to this review?

ANSWER: Both the NATF and A-12 are under review by Secretary Cheney in the form of a Major Aircraft Review. OSD structured the Review to be a team effort. As such, the Navy has been an integral part of that team participating in all phases of the process. The Navy provided data as well as analysis and was very satisfied with the entire process.

NAVY MANAGEMENT OF ADP RESOURCES

Mr. Secretary, the Navy has a poor record of managing its automated data processing (ADP) resources. Last year, the DOD-IG disclosed major ADP management problems in almost every area: personnel, financial, inventory, and policy. In addition, the fiscal year 1990 operations and maintenance account was reduced by $35.9 million as a result of the Navy's failure to follow fiscal year 1989 Congressional direction.

QUESTION: What corrective actions has the Navy taken to address recurring problems in its ADP management?

ANSWER: The Navy has initiated a number of actions over the past year to enhance management and oversight of ADP dollars and systems. Oversight of major automated information systems has been improved through the use of the Information Systems Executive Board, chaired by the Assistant Secretary of the Navy (Research, Development and Acquisition), as a management and oversight forum. To foster the use of Navy Regional Data Automation Centers, we issued guidance which prohibits Navy contracting officers from processing any requests for procurement of ADP resources unless certification is made that those resources are not available from the Navy's Regional Data Centers. We have issued direction that requires the establishment of a programmatic baseline for major ADP projects. These baselines are being used to monitor projects at each major project milestone.

I believe that these initiatives, as well as establishing Information Resources Management under the Office of the Assistant Secretary of the Navy (Research, Development and Acquisition), will elevate and focus attention on the Navy's ADP problems at a macro programmatic level rather than a symptomatic one. This transition, in addition to the merger of the telecommunications and the information systems functions at the operational level, has put in place the structure required to correct these problems using a well planned, systematic approach. I am optimistic that the reforms being instituted will correct many of the problems identified in the DoD IG report.

QUESTION: What is the relationship between Navy's management improvement efforts for ADP and the Corporate Information Management Initiative of the Defense Management Review?

ANSWER: The Department of the Navy is working closely with OSD on the Corporate Information Management initiatives and our management improvement initiatives augment and complement these efforts. For example, the Navy is aggressively pursuing the consolidation of its central design activities and data processing installations on its own and in conjunction with the recommendations in the Department of Defense Management Review. We are also coordinating and integrating the design, development, and implementation of our initiatives with those undertaken by the Department of Defense. Navy is actively cooperating with the other military Departments and Defense Agencies in meeting the goals established by the CIM initiative. A case in point is the military Departments and DLA effort to consolidate depot supply data processing systems and facilities.

We have incorporated objectives, complementary to those of the Corporate Information Management initiatives, into the Department of the Navy IRM planning process. These objectives include the use of standard systems and avoidance of small, fragmented, uncoordinated, and incompatible ADP acquisitions. We have included these objectives as part of our planning process to ensure consistent and continuous progress is made towards achieving them.

NAVY CORPORATE INFORMATION MANAGEMENT

Secretary Garrett, the Corporate Information Management initiative is intended to eliminate duplication of effort in the development of multiple information systems designed to meet a single functional requirement. For fiscal year 1991, OSD reduced the Navy budget for information systems by $100 million and by $1,095.2 million for fiscal years 1992-1995.

QUESTION: How has the Navy managed these reductions to its information systems? Specifically, which programs have been affected, and by how much?

ANSWER: The OSD directed reductions for fiscal year 1991 were distributed as follows:

ADP Program	Reduction ($ in Millions) FY-91
SPAR	25.70
ICP	18.35
SPLICE	1.46
APADE	.50
LOGMARS	5.72
TCAIMS	.54
Supply OA	1.77
TOPS	2.05
Supply Support	3.40
WAM	7.43
SPAWAR Support	2.32
NHIS	3.48
PERSPAY	.10
NAVSCIPS	.50
AA/USN Support	.07
Medical	2.06
NCPDS	6.26
NMPC Support	1.00
SAMMS	.30
FASCO	1.49
NAVFAC Support	3.26
PRODMIS	.37
NAVSEA 92	.32
SURTMPS	.22
NAVTIS	3.87
Marine Corps Systems	7.46
Total Corporate Information Management Reduction	100.00

NAVY CORPORATE INFORMATION MANAGEMENT

QUESTION: Last year, GAO found that the Navy failed to apply a Congressionally directed reduction to ADP programs for fiscal year 1989. What assurance do we have that the OSD directed reductions are being taken in ADP programs and are not degrading other operations and maintenance programs?

ANSWER: The Navy Information Technology (IT) budget reflects the OSD directed reductions. This, along with the OSD oversight and management of the CIM initiatives, provides constant assurance that the reductions have been effected.

ADVANCED SUBMARINE TECHNOLOGY PROGRAM

Congress has been concerned that the Navy has not been forward-thinking enough in developing advanced submarine technologies. The Defense Advanced Research Project Agency has been appropriated about $300 million in the past three years to take the lead to develop these technologies for transition to the Navy.

QUESTION: What plans have been developed and finalized to ensure timely transition of DARPA's submarine research projects to the Navy for further development and implementation aboard current and future submarines?

ANSWER: The Navy and the DARPA Advanced Submarine Technology Program Office are working on the details of the plan for transition of technologies that are under development in the DARPA Advanced Submarine Technology Program to the Navy. This planning is being coordinated through the Office of Advanced Submarine R&D in the Naval Sea Systems Command (NAVSEA-SEA 92R). The year of transition and the specific Navy office which will receive the project has been finalized but is dependent on funding levels authorized for the Navy by Congress. The Advanced Submarine Advisory Panel, which was established in accordance with Congressional legislation, is advising the Director of DARPA on the transition process. Funding to support transition of programs has been identified for the FY 1992 budget development process. Because of the state of development of DARPA projects, and the timing of the budgetary process the FY 1992 budget submission will be the first opportunity to identify funding requirements to effect the transition. Requirements for further development of supporting infrastructure (logistic support, training, milspec, etc.) by the Navy must be identified and funded. Some technologies are being demonstrated in proof of concept tests or through rapid prototyping on the R&D submarine and in other R&D platforms. As the concepts are refined through this process, appropriate backfit packages for existing submarines will be finalized. As a separate effort, SEA 92R is developing an SSN upgrade program that will investigate new technologies from all sources for improving the submarine force. Several of the DARPA programs are included in this program. In

conducting this effort we are paying close attention to all developments and are assessing the impact on each submarine class from a total ship mission effectiveness and cost benefit payoff perspective.
The Navy's Report on Technology Projects Transitioned from DARPA Advanced Submarine Technology Program to Department of the Navy will be delivered in the near future. This report provides further details of the planning for transition of projects.

NON-ACOUSTIC ANTISUBMARINE WARFARE

QUESTION: Congress has criticized both the Navy and the Defense Advanced Research Projects Agency (DARPA) for what have been considered deficient research efforts in non-acoustic antisubmarine warfare. Are the Navy and DARPA now working together, under direction of the Office of the Secretary of Defense, to better coordinate and improve the Defense Department's research into non-acoustic antisubmarine warfare?

ANSWER: Navy and DARPA, together with the Central Intelligence Agency and Lawrence Livermore, Sandia and Los Alamos National Laboratories, provided to the Office of the Secretary of Defense (OSD) a coordinated set of recommendations for non-acoustic antisubmarine warfare. OSD is expected to announce its decisions soon, in the form of the program plan required by the FY90 Defense Appropriation Act. Navy looks forward to continuing with DARPA the coordinated investigations into non-acoustic and acoustic antisubmarine warfare which have characterized the research and development efforts of the two organizations in the past.

QUESTION: How is the new program (anti-submarine warfare program) different from previous efforts, and why will these differences result in improved research and development in this important warfare area?

ANSWER: The Office of the Secretary of Defense has not yet promulgated its FY90 non-acoustic antisubmarine warfare plan. Navy anticipates the plan will include special emphasis on radar and optical sensors, and will benefit from the broadened perspective afforded by the participation of Department of Energy's laboratories and NATO allies.

QUESTIONS SUBMITTED TO THE CHIEF OF NAVAL OPERATIONS BY SENATOR INOUYE

SSN-21 SEAWOLF SUBMARINE

QUESTION: Admiral Trost, the Navy has always wanted a fleet of 100 attack submarines in the past, are you reconsidering your requirements for submarines in light of the changes in the Soviet threat?

ANSWER: The national military strategy which dictates the requirement to meet any threat to U.S. vital interest far forward has not changed. The current and projected ASW qualitative threat to our world-wide and regional vital interests has not changed. Since a force level of 100 SSNs was based on the execution of the national military strategy against the projected and current threat, the requirement for 100 SSNs has not changed.

The United States, unlike the Soviet Union, is an island nation totally dependent on the Navy to maintain its lifeline of vital resources (petroleum, minerals, etc.) from our European and Asian trading partners. Geography, along with our growing dependence on imported resources, dictates that the United States must maintain control of the seas. The submarine force of the United States is a linchpin of our ASW and power projection strategy which is dedicated to protecting our vital sea lanes of trade.

When addressing submarine force level requirements in light of reduced cold war tensions, it is also important to understand the current and projected Soviet submarine force threat. Recent Soviet announcements regarding submarine force level reductions must be considered with respect to how their overall force capability will change in the next decade. The Soviet plan to decommission their older nuclear submarine classes will reduce their force numbers; however, it will do little to reduce their submarine force capability. In fact, these reductions, when coupled with their continued building rate of new submarines of significantly advanced classes, will produce an end-of-decade submarine force that is significantly more capable, although smaller in size. Present intelligence estimates verify that the Soviets are still firmly committed to continued attack submarine development and production. As a comparison, in 1989 the Soviets launched twice the number of submarines as the U.S. In 1990 the Soviets are projected to maintain the same edge in submarine production.

Because of our current undersea superiority, the Soviet Union has been increasingly forced to deploy their attack submarines in bastions close to the heartland, with few assets assigned to open-ocean ASW. They would portray this deployment as a defensive strategy. However, if the U.S. were to have fewer deployable SSNs, the Soviets would no longer feel as compelled to deploy a bastion defense and could potentially inflict grievous harm on our flow of resources.

SSN-21 SEAWOLF SUBMARINE

Another factor which is independent of Soviet submarine levels is our ability to respond to regional conflicts. These commitments to allies throughout the world have historically involved deployed naval forces. As the world shifts from a bipolar to a multipolar system,regional crises are not going to decrease, in fact, based on previous experience, this worldwide naval commitment can be expected to increase. Any reduction in our SSN force level would adversely affect our ability to support these commitments with power projection forces. The SSN provides the National Command Authority and Battle Force Commander with key options in executing national policy during Third World crises or conflicts. SSN's are used by the Battle Force Commandersto provide covert intelligence, warning and surveillance, ASW, ASUW, special forces insertion and strike capability. In addition, as Third World countries obtain more sophisticated weapons including modern diesel submarines, the submarine role in regional conflicts will expand.

The global versatility of U.S. SSNs plays prominently at either end of the conflict spectrum from coordinated open-ocean ASW to limited regional conflicts and crises. The qualities of a sustainable, covert, powerful presence make the requirement for a force level of nuclear submarines that are second in quality and capability to none an absolute necessity if we are to maintain undersea superiority and naval power projection capability in the 21st century.

BATTLE FORCE MANAGEMENT CAPABILITIES

QUESTION: Admiral Trost, in a review of the Navy's capability for developing a battle force management system, your executive level task force advised you that the [deleted]

What steps has the Navy taken to correct the significant deficiencies that currently exist in ship-to-shore and carrier battle group communications capabilities?

ANSWER: At my request, a Radio and Electronic Battle Management Task Force under the CNO Executive Panel examined the way the Navy addressed the entire field of Space and Electronic Combat (SEC).

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They also perceived a requirement for more centralized leadership in SEC and recommended the establishment of a 3 star advocate for SEC. Their recommendations were accepted and the Director, Space, Command and Control (OP-094) has become the SEC advocate. This restructuring of the responsibility for SEC programs will establish better knowledge, better tactics, and a more positive and comprehensive mind set towards SEC and its relationship to all other warfare areas and the command and control infrastructure.

Additionally, within the past year, we have significantly accelerated our communications systems modernization programs, restructured our major programs for the Navy command and control systems afloat and ashore to more rapidly field required improvements and we are engaged in an extensive effort to define the minimum acceptable functions required in offensive and defensive electronic warfare to verify requirements for existing and planned EW programs.

QUESTION: What current jamming threats exist to degrade Navy command, control, and communications?

ANSWER: The following two publications provide Navy's assessment of current jamming threats to Navy command, control, and communications. They can be provided upon request.

- SYSTEM THREAT ASSESSMENT REPORT ON SATELLITE SYSTEMS (NTIC-TA-008-89, March 1989).
- THREAT ASSESSMENT TO COMMAND, CONTROL, AND COMMUNICATIONS (NTIC-TA-009-89, March 1989).

QUESTION: Considering the de facto dissolution of the Warsaw Pact and unilateral reductions in Soviet conventional forces, what is your view of the impact on the Navy?

ANSWER: While we are encouraged by the profound political changes ongoing in Eastern Europe and the Soviet Union, ultimately we must continue to base our defense planning against capabilities rather than intent. In this regard, Soviet military forces--particularly naval capabilities--are robust and likely to remain so for the foreseeable future.

Of particular concern, the Soviet Union is continuing to modernize its principal surface and submarine forces while retiring, at an accelerating pace, obsolescent ships and aircraft. The building of the TBLISI class of "blue water" aircraft carriers, KIROV nuclear powered strike cruisers, and a large number of "next generation" attack and missile submarines, are examples.

Just as importantly, we must not lose sight of potentially destabilizing developments in other distant regions of the world. The proliferation of high technology weapons, including nuclear and CW devices, together with rising population pressures, nationalism, religious zealotry and the struggle for control of critical resources will continue to cause crises that call for U.S. naval responses. Also, decreasing U.S. access to overseas basing for Army and Air Force combat units will complicate dealing with these challenges and place a greater premium on naval options. In summary, the threats we face in today's evolving geostrategic environment continue to require that maritime presence and capability be sustained at reasonable levels.

SOVIET THREAT CHANGES

Question: Admiral Trost, the Director of Naval Intelligence testified that there are signals that the Soviets are scaling back on their ambitious shipbuilding plans, in fact, one shipyard has been converted from military to civilian work. Why do you believe it is not likely that continued economic problems at home will cause the Soviet Navy to make even more significant changes?

Answer: As the Director of Naval Intelligence testified, 1989 was an outstanding year for Soviet naval ship construction, with more submarine tonnage delivered than in any year since 1980 and a brisk surface combatant program (nine major units launched). We expect 1990 to be an equally productive year and 1991 to be only slightly less so. Because of the long advanced procurement and extended construction times associated with shipbuilding, the ships to be launched in those years are already well along in assembly and will be launched.

To date, we have seen no significant changes in naval construction other than the KIROV construction halted last year. Leningrad Baltic is the only yard known to have switched to civilian production. Shipyards are not easily converted to facilities producing the consumer goods sorely needed by the Soviet economy. We recognize the problems now devastating the Soviet economy and acknowledge that economic factors will almost surely have an effect on the Soviet Navy's shipbuilding program. Thus, long-term projections are very difficult. We would expect to see specific indicators of a slow-down in Soviet ship construction due to the effects of current economic problems no earlier than 1992-1993. Any reduction in support for Soviet Navy shipbuilding that is incorporated into the next Five-Year Plan (1991-1995) will become apparent only in the mid to late 90's, due to the long lead times already mentioned.

TORPEDO DETECTION PROCESSOR

QUESTION: If expanded development of the torpedo detection processor is not accomplished as proposed by Congress, how will the Navy protect its surface ships other than aircraft carriers from torpedo threats?

ANSWER: Most Navy ships are equipped with the SLQ-25 NIXIE countermeasure. SLQ-25 NIXIE is being upgraded under the ongoing Surface Ship Torpedo Defense Program and expanded with additional capabilities to include torpedo detection. A torpedo detection capability is also being incorporated into the AN/SQQ-89I program.

QUESTION: It is claimed that expanded development of this torpedo detection processor will provide a low cost alert system for surface ships other than aircraft carriers. Is this processor less costly than other systems being considered by the Navy for such purposes?

Answer: The relative costs are unknown because the proposed processor is in the early development stage.

QUESTION: What capabilities will this processor have that will not be incorporated into alternative Navy systems?

ANSWER: The proposed processor has no capabilities that are not already present in the Navy's Surface Ship Torpedo Defense processing system.

QUESTION: Does the additional, proposed torpedo detection processor effort duplicate any other ongoing Navy research and development work in this area?

ANSWER: The Navy has an ongoing Surface Ship Torpedo Detection program which is developing the torpedo detection processor and algorithms for various ship classes, and subsequent incorporation into SQQ-89 improvement.

QUESTION: If this work is undertaken, to how many ships, and of what ages and types, will it be applicable? Does this applicability ensure adequate cost-effectiveness results from the investment of the additional FY-90 funds and any more funds required in following years to develop and procure the system?

ANSWER: The proposed torpedo detection processor will be applicable primarily to non-SQQ-89 ships. By FY-92, when procurement could be initiated, candidates would be limited to the FF-1052 class and various CG/CGN class ships with an average age in excess of 20 years. The Navy will evaluate the cost-effectiveness of this proposed torpedo detection processor for these older combatants.

SEALIFT

QUESTION: Since the funds have been provided, do you now support the purchase of additional sealift ships?

ANSWER: The national interest in a merchant marine capable of meeting national economic and defense needs in a conflict situation as envisioned by the National Security Sealift Policy will be best served by a balanced program of initiatives across the maritime industry. Sealift ship construction as directed by the Fiscal Year 1990 Defense Appropriations Act is one element of the array of economic and political policy options that must be considered in addressing the state and future direction of the United States maritime industry. To prematurely address only that aspect of a complex issue risks scarce resources without any assurance that they are being put to the best use in meeting national needs.

A Navy, Department of Defense, or Maritime Administration program to expand the number of militarily useful merchant ships is not enough in itself. We need trained mariners with the proper skills to operate these ships and a maritime industrial base capable of maintaining them. Since the decline of our maritime industry is a result of competitive economic factors beyond the Department of Defense's control, it is a national issue for which we have sought and obtained a National Security Sealift Policy. Therefore, I strongly endorse coordinated initiatives outside the Department of Defense directed toward increasing sealift capacity over the longer term. The Maritime Administration plan to increase the Ready Reserve Force from 96 to 142 ships by Fiscal Year 1994 and the implementation under the National Security Sealift Policy of initiatives to ensure the future vitality of the commercial merchant marine are good examples of such initiatives. In that light, I have recently endorsed a recommendation to the Secretary that near term sealift ship construction be directed toward the purchase of commercially viable ships that would operate in commercial trade in peacetime, yet be capable of meeting defense sealift requirements in contingencies.

QUESTION: Admiral, if the Navy does not support the acquisition of additional sealift vessels, how will the United States be able to meet its worldwide resupply commitments if hostilities occur?

ANSWER: The assets we have today in fast sealift, the Ready Reserve Force, Maritime Prepositioning Ships, and the United States Flag merchants are adequate to meet our present strategic sealift requirements. However, the future number of militarily useful merchant ships, projected by the Maritime Administration, will eventually be inadequate to meet the defense logistic demands of any major military operation unless steps are taken to correct the decline in the United States Flag fleet.

The Department of Defense, as a member of the Policy Coordinating Committee for Mobilization and Emergency Preparedness for the National Security Sealift Policy, is formulating future defense sealift requirements within the context of current negotiations and world events. Until we conduct risk and trade-off analyses of the many available strategic mobility options involving equipment prepositioning, airlift, and sealift or related areas such as Army readiness, I can not quantify the future augmentation of government-owned strategic sealift required of our merchant marine. Once the defense requirements for sealift are quantified, they will be integrated with the Maritime Administration's requirments for essential economic shipping and recommended actions to revitalize our maritime industry will be developed. Implementing coordinated government initiatives to revitalize the maritime industry, as approved through the National Security Sealift Policy forum, is how the United States will continue to meet its national security commitments if hostilities occur.

QUESTION: Do you believe it is appropriate and viable for this nation to rely upon other nations to provide sealift capacity for United States' forces?

ANSWER: Most certainly. Only in the event of global warfare involving North Atlantic Treaty Organization conflict do present requirements exceed United States' capacity to deliver United States' forces to the theater of operations and sustain them in combat. In such circumstances it is most appropriate for us to demand and expect assistance from our Allies in sealift, just as we would expect them to contribute in other areas.

TACTICAL AIRCRAFT

QUESTION: Admiral Trost, many members of Congress have expressed great concern with the Navy's plans to terminate its existing aircraft programs noting that the fleet could suffer significant aircraft shortfalls if there are delays in the follow-on aircraft. How do you address this concern from your warfighting perspective?

ANSWER: If the delays in the follow-on aircraft do occur, there are alternatives which will allow Naval Aviation to retain and fly sufficient numbers of existing aircraft until those follow-on aircraft are procured. However, as your question suggests, the warfighting capability of those aging aircraft will be less than that required to either pace potential adversaries or outdistance current threats. Aircraft modernization through procurement of new aircraft, and upgrading of existing aircraft, is essential for the future of Naval Aviation.

QUESTION: Admiral, in my discussions with navy personnel on our ships, I find that many believe the A-12 and NATF will be delayed; what confidence do you have that these programs will not suffer such schedule slips?

ANSWER: Both the A-12 and NATF are important to the future of naval aviation. The A-12 is the Navy's top priority aircraft program. There are no anticipated schedule slips. The A-12 program is funded and its development is on track. The NATF is not as mature as the A-12 and some schedule adjustments in the future to reflect changes in requirements and/or funding is always of concern. However, Secretary Cheney's major aircraft review is currently examining all aspects of the NATF. This process will focus on the future timing and development schedule of NATF and provide additional insight to that decision process.

SLAM

QUESTION: Did the termination of the Maverick program impact on your decision to procure additional SLAM's?

ANSWER: The termination of the Maverick program had no bearing on the decision to procure additional SLAMs.

QUESTION: Navy budget documents report plans to buy an increased number of SLAM's and at the same time begin a SLAM Planned Productivity Improvement Program (P3I). Can you tell this committee what is the objective of the P3I program and why shouldn't we hold the procurement down until these improvements are completed?

ANSWER: The department has no ongoing P3I effort to improve the SLAM weapon system at this time.

QUESTION: ADM. Trost, can you explain how The Advanced Interdiction Weapon System (AIWS), The Advanced Strike Weapon System (ASWS), The Tomahawk, and The Standoff Land Attack Missile (SLAM) differ in mission requirements to justify the need for all four systems?

ANSWER: AIWS will be a low cost (less than $50K FY-85 dollars) air launched inventory fill weapon providing at least a standoff range from a launch. AIWS will provide an accuracy of less than CEP delivering a cluster munition against a variety of fixed area targets. The weapons guidance will be an inertial measuring unit with GPS update to provide a launch and leave weapon.

SLAM and ASWS are the same weapon. SLAM provides an interim near-term air launched standoff weapon for use against high value land targets. SLAM is an integration of proven off-the-shelf components composed of the HARPOON missile body, the IIR MAVERICK seeker, the Walleye Data Link and a GPS Receiver. SLAM's accuracy will be less than with terminal aimpoint selection and will be capable of launch from greater than

TOMAHAWK is unique in two respects. The conventional land attack variants will distribute the Navy's strike warfare capability to nearly 200 ships and submarines, and the missile's 700 NM range and CEP will hold at risk targets deep within an enemy's territory while the firing platform remains beyond the range of defensive systems. When used in coordinated strikes, TOMAHAWK can be employed to destroy enemy air defenses to reduce manned aircraft attrition.

SURVIVABILITY OF COMMAND, CONTROL, AND COMMUNICATIONS SYSTEMS

QUESTION: The Committee is aware that last year, Hurricane Hugo caused serious disruption to Atlantic fleet telecommunications systems. When such disasters occur, the first requirement is for reliable C3. Although C3 services were restored, the survivability of major systems to natural disasters and other interruptions is critical.

What were the major disruptive effects of Hurricane Hugo to telecommunications systems in the Atlantic, and how long were the systems out of service?

ANSWER: C3 for afloat forces was virtually unaffected during the hurricane. The impact was on ashore commanders.

High speed record communications in support of general service messages to/from Puerto Rico were disrupted 18 September 1989 due to loss of connectivity between the serving telecommunications center and on-island commercial satellite facility. Specifically, the cable between the G. E. Americom satellite terminal at Roosevelt Roads and the Naval Communications Station was destroyed which resulted in loss of connectivity to the AUTODIN Switching Center at Albany, GA. In addition, a destroyed microwave antenna at MT Jayuya resulted in loss of connectivity to the AUTODIN Switching Center at Fort Detrick, MD. Both links were reestablished 22 September 1989 after approximately four days of outage.

Although high speed AUTODIN service was lost, 100 word per minute record communications service was established 20 September 1989 through activation of circuits between NAVCOMMSTA Roosevelt Roads and NAVCAMS LANT Norfolk, VA. An ashore Mobile Contingency Communications (AMCC) van was deployed to Puerto Rico on 20 September 1989 as well in order to provide additional secure communications service. An UHF satellite transceiver (AN/WSC-3) available on-island provided the base commander with uninterrupted secure voice capability throughout. Airlifts to Puerto Rico were used to deliver message traffic and the USS Dahlgren contributed by accepting 1800 messages and delivering to NAVCOMMSTA by boat.

Loss of power at NTCC Charleston resulted in a 27-hour outage, but limited communications service was restored after eight hours by using the USS Richmond K. Turner, who was inport Charleston for an overhaul. Voice communications were also available throughout the hurricane, but on a reduced capability basis.

QUESTION: What steps is the Navy taking to address the survivability of its C3 systems to environmental disruptions?
ANSWER: Navy has made a thorough assessment of C3 facility resistance to natural disasters such as Hurricane Hugo. Vulnerabilities vary by site and it is not cost effective to guard against every eventuality, however, design criteria are in effect to build a degree of survivability into new systems. This, coupled with judicious procurement of portable communications equipment e.g., microwave tower kit, satellite voice equipment, etc., is the most flexible, cost effective method for handling C3 outages due to natural disasters. Additionally, procedural changes emphasizing continually updated and exercised disaster preparedness plans have been instituted.

QUESTION: Has the Navy performed an overall risk assessment of its C^3 systems for electronic warfare and electromagnetic interference?

ANSWER: The Navy, as an element of our test and evaluation process, evaluates the electronic warfare and electromagnetic interference vulnerability of every major C3 system against known threats during development and in operation.

QUESTIONS SUBMITTED TO THE COMMANDANT OF THE MARINE CORPS BY SENATOR INOUYE

MARINE M1 TANK PROGRAM

Question: General Gray, there have been some suggestions that since the Marine Corps does not intend to field M1 tanks to all their units, maybe the Marine Corps should reconsider the fielding of any M1 tanks because of the logistical costs and problems associated with only a partial fielding. Would you give this committee your thoughts?

Answer: The Marine Corps has definite need for the state-of-the-art capabilities inherent in the M1A1 tank to defeat the potential threat. The M1A1 tanks are fully supportable as a portion of the larger population of U.S. Army M1A1 tanks which basically utilize the same components and logistics support concept. Logistical costs and problems are therefore not generated as a function of a partial fielding. The M1A1 Main Battle Tank provides a much superior capability across the entire spectrum of conflict than the M60A1 Rise Passive tank which is approaching the end of its service life and does not have the capability to defeat the potential threat. The M60A1 is also becoming logistically insupportable, requiring increased funds to operate, support, and maintain due to age. We have revised the force structure of our tank battalions and will be equipping them with M1A1's to address our range of mission roles. We will therefore be excessing our inventory of obsolete M60A1 tanks.

Question: General Gray, should the Marine Corps consider fielding the basic M1 tank with the 105mm gun, rather than the M1A1 with the 120mm gun, to avoid the logistical problems with two types of ammunition?

Answer: The M1A1 Main Battle Tank with its 120mm smoothbore gun, NBC overpressure protection system, and improved armor package provides the required lethality, survivability, and fightability improvements over the M1 and IPM1 tanks to defeat any potential threat. Both the M1 and IPM1 tanks have been out of production for years and, therefore, lack many significant improvements contained in the M1A1 tank. In addition, both these tanks lack amphibious capabilities such as a Deep Water Fording Kit and Enhanced Ship Tiedowns. These older systems also do not have an NBC overpressure system essential to conduct sustained operations in a Nuclear, Biological, or Chemical environment, and do not contain a Position Location Reporting System to interface with the Marine Corps command and control system. The only M1 or IPM1 assets available would have to be transferred from U.S. Army inventory lacking all the inherent capabilities above, which have been designed into the Marine Corps M1A1 tank. The superior capabilities of the M1A1 over the M1 or IPM1 to defeat the potential threat, and the prohibitive costs associated with incorporating those capabilities and maintaining an older baseline tank, were the overriding factors for selecting the superior weapon system. Also, the availability of 120mm ammo is not considered a logistical problem as the Marine Corps participates in U.S. Army procurement of ammunition. There are no production problems associated with either the 105mm or 120mm round and there is sufficient demand base to support both.

MARINE FORCES ON OKINAWA

Question:

General Gray, recently MajGen Henry C. Stackpole II, Commander of Marine Corps Bases in Japan, said that U.S. troops must remain in Japan at least for the next decade in large part to prevent Japan from remilitarizing. Do you believe that Japanese remilitarization is a threat which can only be prevented by a U.S. Marine presence on Okinawa?

Answer:

Let me point out first that even though MajGen Stackpole was quoted out of context, the question is one that needs to be answered. I certainly believe U.S. forces, not necessarily Marines, need to remain in the East Asia/Pacific region for at least the next decade. U.S. presence, however, is not to prevent the remilitarization of Japan (although, I might add, some of Japan's neighbors have expressed some concern in this area). In fact, quite the contrary. We have encouraged Japan to build and provide a self-defense force capable of meeting their commitment to defend the sea lanes out to 1000 miles. Thus, Japan's self-defense forces and the Marine Corps' power projection and contingency response capabilities are complementary to each other and are welcomed by regional nations since they do not have a "NATO-like" multilateral defense structure but a network of bilateral relationships.

The U.S. - Japanese security relationship, as embodied in the 1960 Treaty of Mutual Cooperation and Security and given substance by forward deployment of U.S. forces in the region, serves not only as a deterrent to potential Soviet aggression but is, and will remain for the foreseeable future, the fundamental underpinning of peace and stability for all of the East Asia/Pacific region.

However, it is not in the interests of the United States, the Japanese people, or the stability of Asia for Japan, or any other Pacific regional power, to develop power projection capabilities. Such developments would foster arms races and instability throughout the region. The growth of power projection capabilities, by countries such as China and India, is viewed with concern by Australia, ASEAN and other neighbors but not with the total alarm and perhaps the retaliatory arms growth that might otherwise occur if U.S. forces were not forward - deployed in the region.

Current developments in the Japanese Self Defense Force support its defensive mission under the Japanese constitution and are consistent with a mutually beneficial U.S.-Japanese security relationship.

MARINE URBAN COMBAT TRAINING CENTER ON OKINAWA

QUESTION: Describe the urban combat training center you are building in Okinawa to prepare for low-intensity conflict.

ANSWER: This training facility will provide the means for Marines to remain proficient in those acquired skills necessary to effectively fight in urban or built-up areas. This type of combat is nothing new and, in most cases, will be encountered across the full spectrum of warfare; low, mid and high intensity conflict. We anticipate the facility will be ready for training by June 1990.

The facility is centrally located to our two main infantry training areas, Camps Hansen and Schwab, on the island of Okinawa. The training areas coupled with the facility are contiguous and allow for field exercises up to a Marine battalion.

Specifically regarding low intensity conflict, it is our most probable form of conflict in the coming decades. With the shift in population from the rural to the urban regions of the world, particulary along the littorals where the Marine Corps is most likely to be employed, any contingency will involve towns, cities, and/or metropolitan areas.

Our Marines if committed to a contingency will be operating in this built-up area. You must train in buildings and multiple adjacent buildings for the battalion size and smaller units to be familiar with how to fight and operate in this environment. It is for this reason that we are building this facility on Okinawa.

The training site approximates a small town center. We have designed the structures and town layout to maximize the terrain available without infringing on the limited amount of maneuver space within the training area. We believe the design layout optimizes the typical small town infrastructure.

The structures are of unimproved cinder block construction. This primitive training site is comprised of a school, church, bank, restaurant, and two two-story barracks or apartments. Additionally, six other structures have been partially erected to help simulate battle damage to the town center.

QUESTION: Are there not similar urban training facilities in the United States operated by the Army and the SOF forces which could have accommodated the Marines? Was it necessary to build your own center?

ANSWER: The Marine combat units on Okinawa are assigned for six months at a time through our Unit Deployment Program. Their home stations are in California, Hawaii, or North Carolina. We Marines have a long standing history of using other services' training areas and facilities whenever possible. In preparing for the six month deployment we do use similar facilities in the continental United States. There are no similar facilities in Hawaii. At times, scheduling and transportation considerations do not permit us to use the other services' facilities at the best time for pre-deployment training. More importantly, our experience is that the unique techniques and tactics used to succeed in this combat environment atrophy fairly quickly. We and the unified commanders expect these forward deployed units to be combat ready with very short notice. There are no U.S. owned similar facilities in the western Pacific area. This facility will go a long way in meeting a training deficiency which cannot be sustained through pre-deployment training. I thank this committee and the Congress for supporting this facility in the FY89 military construction appropriation.

QUESTION: What is the cost of the new combat training center?

ANSWER: The Urban Combat Facility is costing $890,000.00 for its six buildings and supporting facilities.

QUESTION: Why have you decided to build this center in Okinawa when there is a chance that Marine forces may be drawn down there?

ANSWER: We are not considering, nor do we recommend, a total withdrawal of Marine combat units from Okinawa. This facility is designed to accommodate training for units up to one battalion. Today's and tomorrow's possible contingencies require that your Marines on Okinawa be skilled warriors on urban terrain. Your continuing support of this facility will assist in ensuring we maintain those skills.

TRAINING PROGRAM

QUESTION: Why do we need two new programs to educate officers on the nature and operational art of warfare when schools dedicated to just this purpose exist within the other services?

ANSWER: The School of Advanced Warfighting and the Marine Corps Art of War Studies underline the Marine Corps' commitment to Professional Military Education. The two new programs provide unique curricula which presently does not exist within any other service school.

The Marine Corps Art of War Studies course provides annually for six lieutenant colonels a senior level professional military education to qualify them and ensure they are fully prepared to become military members of the Command and Staff College faculty. Upon graduation from this 10-month school, they will remain for a follow-on two year assignment as faculty members. The program will not only enhance their knowledge and teaching skills but will also prepare them to assist others in combining operational competence with military judgment and sound, imaginative, strategic thinking. Marine Corps Art of War Studies will provide, for graduating students, a faculty development program prior to assuming responsibilities in the classroom, as recommended by Congressman Ike Skelton's Panel on Military Education. To the best of our knowledge, this school, with its specific mission of military faculty development at the Staff College level, will be unique among all the military services.

The School of Advanced Warfighting course provides a year of accelerated development for twelve to twenty majors who have recently graduated from the Marine Corps Command and Staff College. Next year's first class will be comprised of twelve Marine Corps majors and two each from the Air Force and Army. A major focus of this program will be on the preparation for war and the associated connections between peacetime activities, doctrine, manning, procurement, and the exigencies for future military conflict. This focus on the preparation for war serves as a major difference between the School of Advanced Warfighting and the Army's School of Advanced Military Studies which is oriented principally toward specific operational billets within Army brigades and corps. The curriculum at the Marine Corps School of Advanced Warfighting will prepare graduates for a broad base of assignments to key positions in our Marine Air Ground Task Forces and high-level joint and combined staff billets.

QUESTION: What is the cost of these new programs and how are they budgeted?
ANSWER: Both new programs, School of Advanced Warfare (SAW) and Art of War Studies (MCWAR) were funded by realignment of currently authorized Marine Corps Combat Development Command O&MMC funds.

Cost of New Programs for the First Academic Year

	Start-up	Operations	Total
SAW	$41,700	$90,050	$131,750
MCWAR	$52,000	$55,225	$107,225

QUESTION: What has been the response of the Marine Officer Corps to the establishment, last year, of the Marine Corps University?
ANSWER: On 1 August 1989, we activated the Marine Corps University (MCU) at Quantico to provide the central development and management of our Professional Education programs. The University has cognizance over our PME schools which include: Command and Staff College (CSC), Amphibious Warfare School (AWS), The Basic School (TBS), and all of our Staff Noncommissioned Officer (SNCO) Academies. In addition to the resident PME schools, the Marine Corps University oversees our structured self-study program which consists of the Professional Reading Program, selected Marine Corps Institute courses, other service extension courses and directed precursor courses for each resident PME course. Every Marine leader, corporal through general officer, active and reserve, is a participant in this program. This building block approach and the integration of active and reserve Marines in the program, will provide a common background of knowledge and experience throughout the leadership of the Corps and facilitate the development of sound military judgment at all levels.

This renewed focus on Professional Education has met with vigorous support from virtually all levels of our Corps. The University as the driving force behind our effort has already had an impact on literally every Marine above the grade of Corporal.

I have encountered nothing but enthusiasm for our new programs and for the job the University has done from both within and without the Corps. The assistance Congress has provided us to establish this institution has been invaluable. With your continued help I am determined to develop the Marine Corps University into the finest institution of its kind in the world.

AMPHIBIOUS LIFT REQUIREMENTS

QUESTION: How can you meet your current amphibious mission requirement with only 56 percent of the required number of landing craft?

ANSWER: Although the Navy can currently transport only 56 percent of the LCACs required for a MEF(AE) plus MEB(AE) force, as indicated in the CBO report, it has adequate ship berthing and "conventional" landing craft to fill out the landing craft requirement (39 LCU-1610, 121 LCM-8, and 98 LCM-6).

The Navy/Marine Corps have been building to the over-the-horizon requirement since 1983. Such a capability exists today at the MEB(AE) level and is the basis for current training exercises. The Navy expects to achieve 100% of the requirements for a MEF(AE) over-the-horizon assault with LCAC in FY91. Total MEF(AE) plus MEB(AE) over-the-horizon LCAC assault could be achieved in FY98, if current shipbuilding projections remain unchanged.

Question: Have the changes which have taken place in relations between the U.S. and the USSR resulted in any revamping to the Marine Corps Long-Range Plan, the Marine Corps Campaign Plan, or the MAGTF Master Plan?

Answer: The Marine Corps Long-Range Plan, the Marine Corps Campaign Plan, and the MAGTF Master Plan did not require any major revision due to the recent change in U.S./USSR relations. Common references were used in their development which projected a changing world environment and a shift away from global war with the Soviet Union to regional conflicts primarily within the Third World. Each plan acknowledges that in the future the U.S. and USSR will remain the predominant military powers, but their ability to influence or dominate world affairs will diminish. Additionally, each plan posits an increased involvement in the battle against terrorism, drug monitoring and interdiction, and revolutionary warfare. Although the scope or speed of world events could not have been anticipated, the direction was correctly identified, and used as a basis for service planning. Marine Corps Service Plans clearly reflect the change in direction from a high-intensity conflict with the Soviet Union, to possible low to mid-intensity conflicts involving Third World countries.

QUESTION: How have you built your amphibious lift mission requirement?

ANSWER: Current mission goals are set by the Department of Defense as the simultaneous lift for a MEF(AE) and MEB(AE). This goal represents a balance between CINC warfighting requirements, daily operational necessity and fiscal reality.

As a maritime nation, the United States must divide it's naval assets between it's two principle coasts. Actual fleet requirements have historically been established as the force needed on one coast, and if that force were engaged, what force could provide sufficient deterrence and contingency capability on the other coast. The current Defense Guidance MEF+MEB lift goal stems from this philosophy.

CINC regional war plans call for employment of up to two MEF's. The Marine Corps, recognizing that attainment of 2 MEFs of amphibious shipping was fiscally unrealistic agreed to the lesser goal of MEF+MEB which would provide a MEF level assault capability from one coast and a MEB contingency capability on the other. This provides an amphibious force which provides at least half the CINCs required capacity and still maintains a reasonable peacekeeping capability distinct from the war effort.

Aside from warfighting requirements, the CINCs' must conduct daily fleet operations which are absolutely essential for the maintenance of a visible presence in developing regions of significant political, military, and economic import to the United States. Amphibious forces assist the CINC's in overcoming perhaps the sternest challenges they now face:

-- Expanded use of amphibious forces to compensate for a declining overseas basing structure, which may well accelerate in the current fiscal and political environment. Amphibious task forces, with the aviation assets that support them, are the most logical alternatives for forward-basing of land forces--with all the advantages of unilateral action and flexibility that positioning affords. Employment in future conflicts may not have the luxury of using established airbases such as those available during the recent "Just Cause" operation in Panama. Future requirements for these naval force capabilities will likely expand to include such vital areas as the Caribbean and the South American littoral, where there will be far fewer bases and the Western Pacific and Mediterranean where there may be no land force bases at all.

-- Expanded use of amphibious ship and aviation assets in domestic situations and other non-amphibious roles, such as the Alaska oil spill cleanup, lengthy employment in the Persian Gulf for support operations, detachment as fleet and force flagships, special "intelligence operations" and disaster relief. When coupled with those ships unavailable for any mission due to overhaul, extended maintenance, etc., the CINCs have up to one third of the entire amphibious force "off the line" at any given time.

-- Continued sustainment of forward deployed forces and maintenance of a credible and rapid contingency response force on a continuous basis. In addition to fulfilling daily commitments, each FLTCINC must have an organic contingency ability. When crisis response requires a from-the-sea forcible entry capability, an amphibious MEB should be employed. This MEB may be combined with a forward-deployed MEU(SOC) and a MPF MEB or Air Contingency Force to form a more powerful and formidable MAGTF of MEF size.

QUESTION: CBO notes that some analysts reject the Marine Corps amphibious lift requirements, as overstated and unrealistic. How do you refute this statement?

ANSWER: There are no statements in the CBO report which refute the Marine Corps requirement as overstated and unrealistic. As indicated on page 26, the CBO report correctly points out that the Marine Corps "believes that the current [MEF+MEB] goal does not represent what would be needed to accomplish today's war plans with minimal risk" and maintains that the requirement for amphibious lift is 2 MEF(AE)s.

The CBO report implies that amphibious lift in excess of that required at Inchon may be unrealistic. Said another way, the CBO study implies that the total amphibious lift goal for the Navy should be equal to the size force needed for one assault. This logic is flawed.

As the CBO study correctly points out, the largest amphibious assault since World War II was conducted at Inchon with approximately two MEBs amphibious lift. However, the CBO study does not point out that the amphibious lift requirement during the early Eisenhower administration was for 1 MEF plus 2 MEBs, considerably higher than needed at Inchon. During that period, there were over 200 amphibious ships in the active fleet.

As indicated in the response to the previous question, the United States must divide it's naval assets between it's two principle coasts. The current Defense Guidance lift goal of MEF+MEB can be viewed as the minimum regional war assault level needed on one coast plus the force necessary to provide sufficient deterrence and contingency capability on the other coast.

QUESTIONS SUBMITTED TO THE SECRETARY OF THE NAVY BY SENATOR BYRD

CARRIER AIRCRAFT FORCE

The Navy Department operates about 35 percent of U.S. tactical aircraft, including over 10 percent operated by the Marine Corps. Carrier-based aircraft are important instruments of U.S. foreign policy in areas where land bases are not readily available. However, budget constraints and threat uncertainties pose major problems for Navy plans to modernize carrier aviation and maintain adequate force levels, which have been reduced since 1988 form 14 to 13 active carrier air wings.

QUESTION: Do you believe that the Navy's current plans for carrier air wings are realistic in terms of affordability in FY 91/95 and force structure requirements during the 1990's? Please include in your response a discussion of any further reductions in carrier air wings which will be updated in accordance with the conference report accompanying the FY-90 Defense Authorization bill (Report 101-331) requesting such updates, in view of changing world circumstances and budgetary constraints?

ANSWER: Plans for Navy carrier airwings are realistic. As long as commitments for carrier forces worldwide remain as demanding as today, we have no recourse but to provide 13 active carrier wings to the fleet. Tightening fiscal constraints on aircraft procurement, and selected shortfalls in aircraft inventories (i.e., A-6, S-3, etc.,) have delayed our transition to a Theodore Roosevelt airwing forcing the Navy to temporarily reduce the size of most wings from 86 to 80 aircraft and slowing the pace of their modernization. Despite that slowing, key programs must be kept strong; the A-12 will provide essential striking power to fleet commanders --- striking power that is reusable because the A-12 is survivable.

Our plans for carrier air wings are under constant review. We intend to respond to the FY-90 Authorization Bill with annual Naval Aviation Plans (NAPs) that reflect that review. The FY-90 NAP will be sent soon.

SOVIET THREAT CHANGES

Soviet Carrier Forces

Question: While Soviet military forces are currently being reduced or re-oriented, the Soviet Union has continued construction of a large aircraft carrier, with two such carriers expected to be in service by 1995, and Soviet aviators recently began test flights of carrier-based planes. Do you expect the expansion of Soviet naval aviation capabilities to continue, and if so, how do you view the potential threat of these capabilities?

Answer: The Soviet carrier program will move ahead in the 1990's. TBILISI is in sea trials now. Construction on two other carriers continues - RIGA (the second TBILISI) and a new, larger class, UL'YANOVSK. RIGA is expected to commence sea trials by 1992, while UL'YANOVSK should do so by 1996. Although some Soviet statements could be read as suggesting that the carrier program will be halted after UL'YANOVSK, we estimate that the Soviets plan to build at least one more. We will not know the answer until late 1991 at the earliest, when UL'YANOVSK is launched and the building way freed.

Fourth generation fighters now undergoing test and evaluation at Saki airfield will become part of the Soviet carrier air wings. The air wing will probably include a mix of Su-27/FLANKERs for long range intercept, MiG-29/FULCRUMs for fleet air defense and, potentially, anti-ship strike. The VSTOL Yak-38/FORGER and its follow-on Yak 41, and the An-74/MADCAP airborne early warning aircraft will also be included.

The new carriers and the related upgrade in sea-based tactical aviation represent a new trend toward Soviet interest in gaining command of the sea approaches to the USSR in support of its naval missions and the defense of the homeland. Fleet Admiral Chernavin, Soviet Navy CINC, has touted the TBILISI class carriers as a premier "defensive" system. Chernavin's deputy, Fleet Admiral Kapitanets has admitted to us that carriers could be offensive or defensive depending on air wing composition. Deployed together with KIROV-class CGNs, these new carriers will represent a formidable force and will significantly improve the seaward defense of the Soviet Union.

C-130 Aircraft

Question: Last year, this Committee provided funding for the procurement of two C-130T aircraft for the Naval Reserves to meet the wartime requirements for Naval Fleet logistics operations. The Committee provided the funding to ensure that the Navy will have the [redacted] Naval logistics support needed to meet its commitments. Will the Navy be able to make good use of these C-130T's?

Answer: Yes, a 1986 study conducted by the Center of Naval Analysis reflects a total Navy requirement of 29 C-130 aircraft to meet operational support airlift (OSA) aircraft requirements. In addition to its wartime requirement, the C-130 will provide the Navy an aircraft that has a tail loading capability which allows the Navy to carry large items such as F/A-18 engines and helicopter blades as a by-product of peacetime training.

Question: The President has validated the requirement for C-130T aircraft by placing two in the FY 1991 budget. Will these two FY 1991 C-130T's be based in New Orleans?

Answer: There has not been a final decision on the sitings of the C-130 squadrons; however, New Orleans is one of the sites under consideration for the first C-130 squadron.

Question: The Committee understands that the Naval Reserve's current plans are to base four aircraft at three other locations; i.e., Martinsburg, West Virginia; NAS Glenview, Illinois; and NAS Alameda, California. Is this correct? What are the total Navy requirements for C-130 type aircraft?

Answer: The four sites under consideration are: NAS New Orleans; Martinsburg, WV; NAS Glenview, IL; and NAS Point Mugu, CA. Base surveys have to be conducted prior to any final decision on the C-130 sitings. A 1986 study conducted by the Center of Naval Analysis reflects a total Navy requirement of 29 C-130 aircraft to meet operational support airlift (OSA) aircraft requirements.

Question: If the Congress were able to provide up to four additional C130T's in FY 1991, would these additional aircraft be based in Martinsburg, West Virginia?

Answer: Again, Martinsburg is one of the sites under consideration and site surveys have to be conducted prior to the final decision.

Question: Will any military construction be required to facilitate the C-130T units at Martinsburg? If so, what level of funding will be required and for what purpose? Please provide an SF1391 form for the record, if it is available. If not, please provide some comparable data on construction requirements for Martinsburg to house the proposed unit such as hangar facilities, training facilities, barracks facilities, etc.

Answer: No formal survey has been conducted; therefore, the amount of MCNR and other funds needed to start up a Navy squadron there is unknown.

QUESTION: On December 28, 1989, I wrote to the Defense Department indicating my interest in the Sea Lance program which, in addition to its military value to the country, is of significant importance to the Hercules Allegheny Ballistics Laboratory in West Virginia. I am advised that Anti-Submarine Warfare (ASW) is one of the highest priorities in the Navy, and that without SEA LANCE, Soviet submarines can engage U.S. submarines from ranges beyond U.S. capability. However, in the Department's response to me, it was indicated that the SEA LANCE program would be terminated because the Navy had determined that additional component level testing and design are required for the SEA LANCE, which would result in delaying the initial operational capability for two years and increasing its cost by $935M.

However, since receiving the Department's letter, I have been advised that no component design and testing are required; that the schedule delays were caused largely by Navy program decisions; and that cost increases are not development cost increases, but updated cost estimates of the 30-year life cycle baseline costs.

I am also told that the Navy has rated the SEA LANCE program "excellent" overall and "excellent to outstanding" from the technical standpoint over the past three years. Moreover, recently, the first two flight tests of the SEA LANCE at the White Sands, New Mexico missile range, were virtual 100 percent successes. Thus, the SEA LANCE appears to be a technically sound program and yet the Navy is terminating this successful development program which will provide a capability the Navy admits it needs.

In addition, I am advised that the SSN-21 (Seawolf) submarine, a very important program to the Navy, and at $1.5 billion per submarine, a very important program to the Congress and to the country, is being developed and fielded without a standoff weapon capability. Without a standoff weapon such as the SEA LANCE, the SSN-21 submarine is very vulnerable to the long range standoff ASW capability of the current Soviet submarine fleet.

In view of these developments, how can the Navy afford not to pursue the development and deployment of the Sea Lance?

ANSWER: As a result of last year's program review, it was determined that additional surface ship integration, increased funding based on actual hardware builds and a stretchout of the schedule to allow more orderly testing were required. This involved additional component design and testing. Due to these developmental, testing, and programmatic issues, SEA LANCE initial operational capability would have been delayed two years with an increase in development and life cycle costs estimated at $935 million. Of that amount, approximately $206 million was associated with increased developmental costs.

Enemy standoff weapons are of limited concern because both current and future threat submarines neither have nor are projected to have the ability to detect our submarines at the ranges necessary to use standoff weapons. The significant improvements in submarine quieting that have been incorporated in the SSN-21 design will ensure its acoustic advantage over future threat submarines.

The decision to cancel the SEA LANCE program was not based on the performance of any of the contractors and it is correct that the two flight tests met their objectives. However, the development and procurement of the SEA LANCE ASW Standoff Weapon is not affordable in the present fiscal climate.

QUESTIONS SUBMITTED TO THE COMMANDANT OF THE MARINE CORPS BY SENATOR BYRD

MEU (SOC)

QUESTION: I am advised that a rapid deployment force exists within the Marine Corps and is known as the Marine Expeditionary Unit (Special Operations Capable) MEU(SOC). What can you tell me about this?

ANSWER: The Marine Expeditionary Unit (Special Operations Capable) MEU(SOC) is the designation of the Marine forward deployed units aboard amphibious shipping in both the Mediterranean and in the Pacific.

The Marine Corps has routinely forward deployed Marine Air-Ground Task Forces (MAGTF's) that are organized, trained and equipped to provide the regional combatant CINC with a force that can rapidly respond to a wide variety of crises/contingencies. Over the past four years we have committed significant effort and resources to further enhance the inherent warfighting and expeditionary capabilities of these forces. Our objective in this effort has been to provide the CINCs with a force that is sea based, forward deployed and ready to rapidly respond, particularly when a requirement exists for the introduction of helicopterborne or surfaceborne forces from the sea. These enhancements have been focused in our Marine Expeditionary Units (Special Operations Capable) (MEU(SOC)).

These MEU(SOC)'s deployed aboard an Amphibious Ready Group (ARG) of three to five amphibious ships are balanced air-ground teams of approximately 2200 Marines under a single commander. They are comprised of a command element fully capable of planning and controlling the employment of all organic and supporting assets; a ground combat element built around an infantry battalion reinforced with assault amphibian vehicles, artillery, tanks/light armored vehicles, combat engineers and reconnaissance units; an aviation combat element built around a Marine medium helicopter squadron reinforced with heavy lift helicopters, utility helicopters, attack helicopters, fixed wing attack aircraft, transport/refueler aircraft and command and control assets; and a task organized combat service support element which has supply, maintenance, transportation, landing support, medical and dental units. Additionally, their warfighting capabilities have been significantly enhanced in three areas: command, control and communications; all source fused intelligence; and combat power (both air and ground). They are completely self-contained with 15 days of sustainability. To deploy a similar force by strategic air would require 211 C-141's, 17 C-5's and a secure airfield.

MEU's, as forward deployed contingency forces, are fully capable of conducting unilateral operations. They are capable of acting as a component of a joint task force as well as providing the core of a joint task force command element and they are fully interoperable with all national assets and agencies. Their training and task organization allows them to rapidly tailor themselves to provide the required force dictated by mission requirements and they can commence execution within six hours of receipt of a warning order.

The MEU's operational capability is attained and tested by practical application during a rigorous six month predeployment training program under the direction of the MEU commander. Training is stressed to meet tough operational parameters. The amphibious raid, the cornerstone of the MEU(SOC) program exemplifies these parameters. The MEU is expected to launch a raiding force on short notice, at night, in adverse weather conditions under EMCON, from an extended range and have them land at the objective area with a high degree of accuracy, speed and stealth.

The overall mission of the MEU(SOC) is to plan and conduct operations assigned by the fleet commander. The MEU(SOC) can conduct the following missions:

a. Amphibious operations of limited duration (with 15 days of sustainment).

b. Act as an advance force for follow-on MAGTF or other force.

c. Provide air support, fire support, combat service support, or other military assistance to allies.

d. Provide immediate response across a wide spectrum of contingencies, to include conducting the following maritime operations.

(1) Amphibious Raids (An attack from the sea on a hostile shore involving swift incursion into or temporary occupation of an objective followed by a planned withdrawal).

(2) Limited Objective Attacks.

(3) Protection or evacuation of noncombatants or installations (in a permissive or non-permissive environment).

(4) Show of force operations.

(5) Reinforcement operations (ideally during periods of reduced visibility).

(6) Security operations (screening of explosive devices, developing an integrated local security perimeter, and providing personal protection to designated individuals).

(7) Mobile Training Teams (to provide instruction to non-U.S. Forces concerning weapons, equipment, basic skills, limited maintenance training and other organic capabilities).

(8) Fire support control.

(9) Counterintelligence (to include the ability to work with allied and national networks).

(10) Initial terminal guidance.

(11) Signal intelligence/electronic warfare operations.

(12) Civic action operations (includes limited medical, dental care, minor construction, etc).

(13) Military tactical deception operations (feints, ruses, demonstration, or portrayals to confuse enemy forces).

(14) Military operations in urban terrain (MOUT).

(15) Clandestine recovery operations (operations conducted without the knowledge of hostile forces, as opposed to strategic connotation of clandestine).

(16) Tactical recovery of aircraft and personnel (TRAP).

(17) Specialized demolition operations (includes explosive entry to support close quarter destruction such as gas/oil platforms (GOPLAT).

(18) In-extremis hostage rescue (Marine Corps tasks, conditions, and standards used in training for this mission have been reviewed and concurred by USCINCSOC).

One mission which has been frequently misunderstood is the in-extremis hostage rescue. The Marine Corps is working closely with USCINCSOC to ensure our MEU's meet or exceed USCINCSOC mission requirements. There is no attempt to duplicate national capabilities. However, as forward deployed ARG/MEU(SOC) have often been in the vicinity of terrorist incidents, especially those that have occurred along the Mediterranean littoral, it is necessary that the ARG/MEU(SOC) possess a credible capability to respond in an in-extremis situation.

These forwarded deployed ARG/MEU(SOC) provide the combatant CINC's with an enhanced contingency capability centered around a proven organization for combat. The forward deployed posture, expeditionary focus, and combined arms concept make the ARG/MEU(SOC) the most unique and versatile forces employable today.

KC-130 AIRCRAFT

Question: Are the KC-130 aircraft, for which Congress has been providing funds over the past few years, capable for MEU (SOC)? Are MEU (SOC) capable KC-130 aircraft needed?

Answer: Our KC-130 aircraft have been deploying routinely as an integral part of our MEU (SOC) for several years. These aircraft are an invaluable element of the MEU (SOC) and provide us with an additional level of flexibility which is vital to crisis response and contingency operations. We are in the process of modifying our KC-130 aircraft to enhance their night capablities and to improve their utility in the MEU (SOC) role. Our KC-130s cannot meet the full range of mission scenarios in their current configuration.

Question: In FY 1982, Congress initiated a Marine Corps Reserve KC-130 modernization program. How many more KC-130 aircraft are required to complete the modernization program?

Answer: Through FY90, we will have procured 20 KC-130s for the Marine Corps Reserve.

Our objective is to have two squadrons of 12 aircraft each, plus 4 pipeline aircraft, for a total of 28 aircraft. We need 8 more KC-130s to complete that program.

Question: I understand the Air Force Reserve and Air National Guard C-130 units are planning to install defensive systems on their aircraft. Are these systems or other mission enhancements required for your Reserve aircraft?

Answer: The mission enhancements for the Marine Corps Reserve KC-130 aircraft are the same systems being installed on the Air Force Reserve and Air National Guard aircraft. The equipment will provide greatly increased survivability and effectiveness for a very modest investment.

Question: Do you foresee Marine Corps Reserve KC-130 units playing any role in the drug interdiction effort?

Answer: Our Reserve KC-130s have been flying in support of the drug interdiction mission for more than a year. We are firmly committed to continued support of the war on drugs, and our KC-130s are an important part of that effort.

QUESTIONS SUBMITTED TO THE SECRETARY OF THE NAVY BY SENATOR SASSER

ASPJ

QUESTION: The ALQ-126B has been included in all F-18 foreign military sales packages to date, is that correct?

ANSWER: Yes, the ALQ-126B was the only available FMS jammer for F/A-18 prior to the introduction/release of the ASPJ.

QUESTION: Korea is currently considering an F-18 buy, is that correct?

ANSWER: Yes.

QUESTION: Has the Navy told Korea that they can only buy the ASPJ?

ANSWER: No.

QUESTION: Can Korea opt for the ALQ-126B as has been the case with all other F-18 FMS cases?

ANSWER: The Koreans have been briefed on both the ASPJ and the ALQ-126B. It is the Koreans' decision as to which to purchase.

QUESTION: If Korea buys ASPJ, will the total cost of the Navy's program be significantly impacted?

ANSWER: If Korea buys the ASPJ, the cost savings to the USN could be as high as $35M. This assumes that they purchase one ASPJ for each of the 120 F/A-18 aircraft under consideration. The $35M cost savings equates to approximately a 3% per unit cost savings per ASPJ system.

QUESTIONS SUBMITTED TO THE CHIEF OF NAVAL OPERATIONS BY SENATOR SASSER

ASPJ

QUESTION: What is the status of the Navy's Airborne Self-Protection Jammer (ASPJ) program?

ANSWER: Testing on the development models is complete and was the basis for the production decision for the Lot 1 contract. Four production verification units have been delivered to date. The reliability during laboratory tests has shown significant improvement over the reliability of the development models. Performance testing is just commencing, and there have been no problems to date.

QUESTION: Secretary Cheney's budget reflects cancellation of the Air Force ASPJ program. Why wasn't the Navy's ASPJ program also cancelled?

ANSWER: The Navy requirement for ASPJ is still valid. A significant investment was made to develop ASPJ. The contract for Lot 1 production (100 units) was signed on October 6, 1989. There is no other system that has the capability to counter the modern threat. It would not be cost effective or operationally sound to cancel ASPJ now that it is in production and an alternative does not exist.

QUESTION: Do you know why the Air Force cancelled the program?

ANSWER: The reason stated by the Air Force for cancelling their participation in the ASPJ program was affordability. ASPJ funding was offered up to protect programs the Air Force considered to be of higher priority.

QUESTION: Are there any technical uncertainties with the ASPJ program? If so, what are they?

ANSWER: Any program, prior to the fielding and operation of the system, is always faced with the possibility of technical uncertainties. For ASPJ, however, we have done more than what was previously accomplished on any other tactical ECM system to fully address, before fielding the system, the inevitable problems attendant to any new development program. With over 8600 hours of laboratory and flight testing completed, the ASPJ system is the most extensively tested tactical ECM system ever developed. Additionally, the Defense Acquisition Board decision in November 1986 incorporated a production verification phase to facilitate the transition from development to production. This phase has allowed us to incorporate corrections and enhancements over the full-scale development systems and to demonstrate these items during operational evaluation testing prior to fielding the system.

QUESTION: Is the Navy programming for ASPJ in the five year defense program?

ANSWER: Yes, fiscal year 1991 R&D funding allows for completion of testing. Lot 1 procurement was funded using fiscal year 1989 funds. As the Lot 1 contract was signed on

October 6, 1989, fiscal year 1990 system procurement funds were not needed and deleted by Congress with direction to plan on awarding the Lot 2 production contract early in fiscal year 1991 to avoid a production break.

QUESTION: What would be the total cost of the Navy ASPJ program if the Secretary of Defense and the Congress approves the program for the Navy?

ANSWER: At the June 1989 Defense Acquisition Board, a program cost of $3.8 billion (fiscal year 1988 dollars) was projected for the Navy. This estimate included the development, procurement, and support of the system for a 20 year life within the Navy. The withdrawal of the Air Force has led to consideration of alternative acquisition strategies for the remainder of the ASPJ program. These alternatives and recommendations are being staffed and are still subject to concurrence within the Department of Defense. All alternatives being considered keep the estimated cost growth below 10 percent for the total program.

QUESTION: How much would the Navy save by proceeding with the ALQ-126B?

ANSWER: The unit cost of ALQ-126B is $400,000. ASPJ unit cost is projected to be $1,420,000 in fiscal year 1995, but the cost savings cannot be determined only by unit cost differential. [Deleted]

The amount the Navy would save between ALQ-126B and ASPJ would have to include the cost of additional aircraft that would be lost if equipped with ALQ-126B vice ASPJ.

QUESTION: What is the alternative to ASPJ?

ANSWER: There is no alternative to ASPJ.

[Deleted]

ASPJ provides the best probability of aircraft survival and mission success.

QUESTION: Why isn't this a reasonable alternative to ASPJ given the large cost difference?

ANSWER: As previously stated, the real cost difference is not between the unit cost of the ALQ-126B and ASPJ, but between tactical aircraft having no protection for the modern threat and the capability to perform their mission and survive to fight another day. ALQ-126B will not counter all the modern threats; ASPJ will.

QUESTION: What alternatives to the ASPJ is the Air Force considering?

ANSWER: The Air Force is investigating numerous other systems as an alternative to ASPJ. One of the primary candidates the Air Force is considering as an alternative is a towed decoy. This device has significant capability against certain types of missile guidance systems but has no capability to prevent threat system from firing their weapons. The towed decoy is a very good complement to ASPJ but should not be considered as an ASPJ alternative.

QUESTIONS SUBMITTED TO THE SECRETARY OF THE NAVY BY SENATOR DECONCINI

MAVERICK

QUESTION: The Navy has decided to terminate its IR MAVERICK missile program after the FY 90 buy. This action will provide the Navy with approximately 2,100 IR MAVERICK missiles, or about 30% of its requirement. What rationale could you possibly have for taking this course of action in light of the fact that the IR MAVERICK's projected replacement, the improved Advanced Interdiction Weapon System (AIWS P^3I variant), will not reach the fleet until the year 2000?

ANSWER: A reevaluation of the inventory requirements for these missiles indicated that quantities procured through fiscal year 1990 will satisfy the most urgent requirements.

QUESTION: The Marine's AV-8B and the F/A-18 aircraft will shortly be fully qualified to launch the IR MAVERICK. It seems to me that the Navy has completely overlooked this fact, as well as the Marine Corps' IR MAVERICK requirement when arriving at an inventory of 2,100 IR MAVERICKs. What is the reasoning behind this?

ANSWER: The AV-8B can also employ the LASER MAVERICK. The F/A-18 can substitute WALLEYE or SKIPPER weapons. If targets were considered to be of high value, F/A-18 SLAM employment would also be an option.

PHOENIX MISSILES

QUESTION: The last Phoenix procurement is FY90 for Hughes and FY89 for Raytheon, which means that if no FY91 funding is available, both of these contractors will begin to terminate their suppliers by January 1991. Also, with the last FY90 missiles being delivered in September 1992, all production capabilities will be terminated by then. In the event that it is determined that additional Phoenix missiles are required after FY-91, how long will it take to restart the low level suppliers and the major contractors? What will be the additional costs?

ANSWER: If it were determined Phoenix missiles are required, the restart times are estimated to vary from 24 to 48 months for periods of termination of less than one year to greater than two years. Costs associated with restart are estimated to range from $30M to $100M, respectively.

QUESTION: What are the performance benefits of the upgraded configuration for which the Navy has already spent $65 million?

ANSWER: The benefits include increased capability in an ECM environment and increased performance against projected improvements in the air threat.

QUESTION: If the Navy were to retrofit Phoenix missiles, when would this program have to be funded relative to the last production buy to avoid contractor start-up costs?

ANSWER: The FY-91 budget submission represents our balanced warfighting requirements within the limits of risk and affordability. We are continually reviewing options for all our programs for the next budget submission. Funding requirements vary widely depending upon the option. If the Navy decided to pursue a retrofit program, historic weapons procurement time line funding would indicate a March 1991 to December 1991 window to avoid contractor start-up costs.

QUESTION: What would be the costs to retrofit Phoenix missiles at a cost-effective rate? What would be the yearly rate?

ANSWER: Depending on the option chosen, the per missile cost of retrofit is estimated to vary from $8K to $170K with a one time contractor implementation cost of $12M. The cost-effective rate would be 50-60 missiles per month.

HOMEPORTING

QUESTION: With the apparently reduced goals of a 600 ship Navy, what are the Navy's new homeporting requirements?

ANSWER: We are evaluating all homeports, including the strategic homeports, in light of the reduced size of the fleet (from the planned size of 600 ships). We must achieve a balance between our projected force structure and the required base structure.

Results of the Navy's evaluation will not be available until later this year, therefore, a detailed response to the question is not possible at this time.

QUESTION: Because, as you state in your testimony, the "size and extent of the Department of the Navy's infrastructure, the labs, shipyards, testing and maintenance facilities, air stations, and home ports that supply the Fleet, is driven by the requirements of the Fleet and the Fleet Marine Forces," what are the requirements that drive the necessity for the home port at Everett, Washington? Would it not be a wise stewardship of Navy funds to terminate the home port activities at Everett, especially in light of the reduction in the 600 ship Navy?

ANSWER: Locating a Carrier Battlegroup (CVBG) in the Northwest remains a valid strategic objective. A CVBG in the Northwest will improve force dispersal, take advantage of available Selected Reservists, enhance our responsiveness in the Northern Pacific/Aleutian Theater, and protect vital oil supplies from Alaska. These principles guided our decision to develop Everett for homeporting a battlegroup and remain valid. Homeporting an entire battlegroup at any of the other existing ports in the Northwest is not practical due to cost and operational considerations.

Additionally, some of our older, established facilities are nearing the end of their useful life and require extensive renovations and/or significant maintenance. Recent years' funding shortfalls have affected proper operation and maintenance of the Navy's supporting infrastructure. Thus, upgrading and maintaining older facilities at existing bases must be weighed against the costs of constructing and maintaining new bases with modern facilities specifically designed for some of our newer class ships. This is just an example of the many complex facilities-related factors to be considered in arriving at a more modern, effective, and efficient shore establishment.

We must ensure that the shore infrastructure is adequate, within available resources, to support both the expected force levels and valid strategic objectives. To that end, a thorough review of the Navy's shore establishment, including the strategic homeports, is underway.

QUESTIONS SUBMITTED TO THE CHIEF OF NAVAL OPERATIONS BY SENATOR DeCONCINI

MAVERICK

QUESTION: What would the Navy and Marine Corps currently use if we ran out of MAVERICK missiles?

ANSWER: Lack of MAVERICK missiles would necessitate use of WALLEYE or SKIPPER weapons. Also, SLAM could be employed on a target of high value.

QUESTION: Is a total supply of 2,100 MAVERICK missiles a sufficient inventory for the Navy and Marine Corps?

ANSWER: Yes, it is sufficient.

PHOENIX MISSILES

QUESTION: The curent expected inventory for Phoenix missiles is approximately 2,000. Using the current Navy operational requirements, how many carrier battle groups will this support?

ANSWER: The expected inventory of Phoenix missiles provides for load out of all fourteen deployable aircraft carriers.

QUESTION: Is this consistent with the Navy's plans for its number of carrier groups?

ANSWER: Yes, this is consistent with the Navy's plans for 14 deployable aircraft carriers.

QUESTION: The current plans for AAAM call for initial production, long lead funding to be provided in FY98. When will sufficient quantities of AAAM be available to start replacing fielded AIM-54C missiles.

ANSWER: AAAM should start arriving in the fleet in
Replacement of 54C missiles with AAAM will occur when the combined AAAM and AIM 54C inventory has reached the programming objective required.

NAVY HOSPITAL SHIP IN VIRGINIA

QUESTION: It is my understanding that the Navy currently has a floating hospital or medical ship stationed near Norfolk which was not used during the Panama operation. Why was this facility, which has been featured in Navy promotional videos, not used?

ANSWER: The USNS COMFORT (T-AH 20) is layberthed in Baltimore, MD. Although COMFORT was on stand-by to deploy to Panama it was the judgement of those involved in the Panama operation that the tactical situation during the operation did not lend itself to using the hospital ship.

QUESTION: It is also my understanding that Portsmouth Naval Hospital is being rebuilt. During the construction of this new facility, there will be numerous logistics problems and patient hardships for those with appointment and scheduled admissions, such as parking. Why cannot the Navy use this premier facility to reduce some of this congestion at the main, Portsmouth facility?

ANSWER: The primary mission of the USNS MERCY T-AH 19 Class Hospital Ships is to provide combat casualty care to wounded members of the operating forces of the Fleet and Fleet Marine Force. The ships were designed to allow for the smooth and successful execution of that mission. U. S. Navy Hospital ships are not designed to permit easy delivery of outpatient care since outpatient care is not a principal requirement of combat casualty care. Thus, reconfiguring hospital ships to make them more conducive for outpatient care, as well as normal inpatient care, would render the ships less capable of performing their primary missions.

QUESTIONS SUBMITTED TO THE SECRETARY OF THE NAVY BY SENATOR HARKIN

TRIDENT SUBMARINES

QUESTION: I am concerned about the rapid expansion of strategic nuclear weapons programs. The top 10 major nuclear programs increase by an average of 30% in the FY 1991 budget request, exceeding $19 billion.

While the Navy strategic nuclear programs show only modest growth, I am still concerned about adding another TRIDENT submarine.

I do consider the TRIDENT program the most survivable and cost-effective leg of the strategic triad. However, I question the need for an 18th TRIDENT submarine, when the START provisions would undoubtedly require some reductions in warheads per boat to keep 18 TRIDENTs afloat.

Do you have a plan to accommodate 18 TRIDENT submarines under a START Treaty regime? Will they be loaded to their full capacity of 24 missiles? Will the missiles have their full complement of 8 warheads each?

ANSWER: First, I heartily agree with your assessment that the TRIDENT weapon system is our country's most survivable, and cost-effective strategic deterrent.

With the retirement of the POSEIDON force at the end of their useful lifetimes, we can accommodate 18 or more TRIDENTs under the limits of the potential START Treaty. The U.S. Treaty position is to fully load each TRIDENT with 24 missiles, each with 8 warheads.

QUESTION:

If so, how will you convince the Soviets that the TRIDENTs carry less than a full load of 192 warheads?

ANSWER: As I have stated, 18 or more TRIDENTS could be accommodated under the flexibility built into the START Treaty currently being negotiated.

Additionally, the TRIDENT weapon system has the design flexibility to respond positively to any negotiated arms control constraints or national level decisions on TRIAD composition. The number of warheads per missile could be reduced below eight (termed downloading or deMIRVing) if directed, however the US position is to only allow deMIRVing by two warheads in the current START negotiations. Reducing the number of warheads would give TRIDENT a greater range capability with only a minimal decrease in accuracy, which translates into ease of targeting for small employment options. Note, however that the cost per warhead would increase and it would entail additional arms control verification requirements (Reentry Vehicle On-Site Inspections) in order to bound the breakout potential.

QUESTIONS SUBMITTED TO THE CHIEF OF NAVAL OPERATIONS BY SENATOR HARKIN

As you remember from past years, I am deeply concerned about escalation of the ASAT weapons programs. While the Navy is not requesting ASAT funds, the Navy is often listed as the primary benefactor of ASAT weapons.

I notice in your written testimony regarding six major capabilities of the Navy that you hold that "...all of these balanced forces will depend upon space-based navigation, communications and surveillance systems to carry out the full range of assigned national tasking."

QUESTION: In view of this dependence on satellites, are you not concerned that the Soviets will break their 8-year ASAT testing moratorium and develop much more effective ASAT systems if the United States develops and deploys dedicated ASAT weapons?

ANSWER: Of greater concern for maritime operations than an end to the announced ASAT test moratorium is the combination of a robust Soviet space-based surveillance, tracking, and targeting capability, and the lack of a demonstrated US ASAT capability, which affords a sanctuary for Soviet satellites.

The Soviet co-orbital ASAT is effective, despite characterizations as a crude system. Although the Soviet co-orbital ASAT has not been flight tested recently, components of the system --tracking systems and launch systems-- have been routinely exercised. The system remains an operational threat to US space-based systems.

Unilaterally forgoing development and deployment of a US ASAT would leave the US with no demonstrated capability to eliminate space-based systems and with no effective deterrent against attacks on US satellites.

QUESTION: In your opinion, should the United States take advantage of improved relations with the Soviet Union to negotiate a verifiable treaty banning all ASAT tests, provided that the Soviets agree to disband their crude ASAT system at Tyuratam and open that facility to on-site inspections?

ANSWER: Even in a climate of improving relations it is not clear that an ASAT test ban treaty and elimination of the co-orbital ASAT would enhance our overall security posture. To achieve this, arms control regimes must be verifiable and must contribute to stability, deterrence and reduced risk of conflict.

A verifiable regime for ASAT tests would be difficult to erect. ASAT capabilities can be a by-product of systems developed for other purposes and are inherent in some systems designed for other missions. For example, the Soviets have acknowledged that their anti-ballistic missile system is capable of supporting operations for space supremacy. Lasers and other directed energy tests are difficult to detect and many of these systems could have ASAT capabilities. In addition, determining whether an orbiting satellite is an ASAT weapon or not would be difficult, or in some cases, impossible. The large number of systems with inherent ASAT capabilities, and the lack of effective verification methods makes an ASAT test ban treaty an intractable problem.

In addition to verification concerns, an ASAT test ban would not address our need for the capability to counter and if necessary negate space-based surveillance and command and control systems.

In another part of your testimony, you state that "For years, the Soviets have easily monitored our exercises with their own ships and aircraft."

QUESTION: If they can "easily" monitor your own ships without satellites, why should we risk an open-ended arms race in ASAT and space weapons that would jeopardize the survival of our satellites, just to gain the ability to shoot down Soviet reconnaissance satellites?

ANSWER: The ability to monitor peacetime exercises and the ability to monitor, track and target naval forces in conflict cannot be equated. In peacetime, freedom of the seas, including activities which monitor exercises with ships and aircraft, is a sovereign right. In a conflict, countersurveillance measures would, at a minimum, disrupt surveillance and could potentially eliminate sea and air surveillance capabilities. What this leaves untouched, however, are space-based surveillance capabilities. Without a US ASAT capability, Soviet space-based systems are immune from attack, while attacks against vital US satellites are undeterred.

QUESTION: Would you favor an ASAT test ban regime if the Soviets both disbanded their ASAT system and agreed not to deploy any nuclear-powered RORSAT satellites?

ANSWER: No. An ASAT test ban regime, even if the co-orbital ASAT were dismantled, would leave intact many treaty-compliant capabilities that could have ASAT potential. One example is the Soviet ABM system which the Soviets admit has a space supremacy capability and mission. The effect of a test ban regime would be to preclude US development of an effective deterrent against attacks on US satellites and would institutionalize the invulnerability of Soviet space-based surveillance systems.

An agreement not to deploy RORSAT would not preclude a rapid breakout capability, which the Soviets would retain with their robust satellite launch capability. Furthermore, simple abandonment of RORSAT does not address the full range of space-based maritime surveillance threats. Numerous space-based surveillance systems contribute to the Soviet ocean surveillance system in addition to RORSAT. The ability to counter or defeat each of these systems is needed to prevail in a maritime conflict.

Vertical Launch ASROC

QUESTION: The Navy continues to rate ASW as its highest priority yet we continue to deploy surface ships which lack an intermediate range, quick reaction ASW capability. What are your plans to counter the existing threat in the near term?

ANSWER: The majority of surface combatants in the fleet today are equipped with conventional ASROC which provides a short range, quick reaction ASW capability. For surface ships being equipped with the Vertical Launch (VLS) system, we are continuing to develop a Vertical Launch ASROC (VLA) capability. VLA will provide surface ships equipped with VLS launchers an intermediate range, all weather, quick reaction ASW capability. Additionally, we will continue to rely on ASW aircraft, including our very capable LAMPS MK III to provide a longer range ASW attack capability.

QUESTION: Vertical Launch ASROC was developed to fill this void. It is my understanding that this program has successfully completed TECHEVAL and funds authorized and appropriated to procure 300 rockets. When will these weapons be available to the surface fleet?

ANSWER: Vertical Launch ASROC is planned to be available to the fleet in FY-91.

QUESTION: The Navy has included $30 million in the R&D budget to incorporate a MK-50 torpedo payload in the Vertical Launch ASROC. What is your estimate of cost and time required to develop and test this payload modification?

ANSWER: The Navy's estimate to develop the MK-50 variant of the VLA is $175 million with initial deliveries to the fleet in 1998.

QUESTION: Since VLA has been successful in demonstrating launch reliability and torpedo delivery accuracy with the MK-46 payload, isn't it possible that this program could be expedited?

ANSWER: Although the MK-50 VLA will use the same rocket motor and flight control system as the MK-46 VLA, a flight test program comparable to the MK-46 VLA is planned. This is necessary because the MK-50 torpedo is heavier than the MK-46 and will fly a different trajectory. Additional missile flights will be required because MK-50 VLA will use a new nose cap.

QUESTION: What are the key elements of VLA that must be modified and tested prior to the incorporation of the MK-50 payload?

ANSWER: The primary design changes which must be made and tested are: a modified air frame to attach the torpedo to the rocket, a different method of isolating the missile within the vertical launch system canister to protect it from shipboard shock, and a new nose cap which will function at the lower water entry velocity of the MK-50 torpedo. Minor changes must also be made to the autopilot software, parachute and cabling to accommodate the new payload.

QUESTIONS SUBMITTED TO THE COMMANDANT OF THE MARINE CORPS BY SENATOR HARKIN

CH-53E

Question: I understand that the Marine Corps has a procurement requirement for 191 CH-53E helicopters to be used for the rapid buildup of combat power ashore after the initial assault, and that you have requested 23 helicopters in the FY 1991 budget to partially satisfy this lift requirement. Is this correct?

Answer: That is correct. Through FY90 the Marine Corps will have procured 112 CH-53Es for the heavy lift mission. The 23 aircraft requested in the FY91 budget will bring us to within 56 aircraft of reaching our procurement objective of 191 CH-53Es.

Question: In the past, the CH-53E for the USMC and the MH-53E for the USN airborne minesweeping mission were procured under multi-year contracts which saved the government almost $100 million. How much would be saved by ordering the CH-53E and MH-53E under multi-year contracts in FY 1992?

Answer: The Marine Corps CH-53E and the Navy MH-53E were procured during FY86-FY89 under a 4 year, 14 aircraft per year multi-year contract.

This acquisition saved the government $92.8 million or 12.8% over an annual procurement. A multi-year procurement for FY92-FY95, similar to the previous multi-year procurement, would save approximately $119 million or 12.2% over an annual procurement. The multi-year savings are based on a production plan of 10 CH-53Es and 4 MH-53Es per year.

If the quantity were increased to 23 aircraft per year for the same fiscal years (19 CH/4 MH) the savings would be approximately $158 million or 12.8%.

QUESTIONS SUBMITTED TO THE SECRETARY OF THE NAVY BY SENATOR KASTEN

DETAILS OF YP 683 COOP EVALUATION

QUESTION: The details of the YP 683 COOP evaluation, including the environmental conditions encountered for the maneuverability tests; the vessel and sonar used for the sonar performance evaluation; and the calculations which address the issue of shock resistance.

ANSWER: Specific details of the YP 683 evaluation are as follows:

- The evaluation was conducted during the winter months in the Chesapeake Bay off of Ft. Monroe (37 00.36N/76 06.14 W). Weather conditions were varied, up to sea state 2. The weather conditions impacted the test program causing the tests to be moved from the planned Cape Charles area to the more sheltered area off Ft. Monroe. The currents in the vicinity of the Ft. Monroe test area were found to be rotary and were highly correlated with the tide cycle. The maximum currents noted during the test were approximately 1.2 knots (60 cm/sec) at about 025 Deg M. On the tidal change, the current direction rotated to the right through about 180 degrees, running out at 095 Deg M. with a velocity of about 0.4 to 0.8 knots. Air temperatures ranged between -02.4 and 12.0 degrees C (28.4 to 53.6 degrees F). The barometric pressure held relatively steady, varying from 1016.0 to 1029 mb. Wind speed and direction was highly variable, backing and filling as several weather fronts came through. There was no measurable precipitation during the test.
- The tests were conducted on YP 695 (YP 683 Class) modified for mine countermeasures (MCM) operations. For these tests an 8 X 12 foot CONEX type instrument hut was secured to the deck on the 01 level containing the MCM processing equipment, a modified version of the MSO AN/SQQ-14 sonar, and a AN/URN-30 Hyper-fix Precise Navigation System, and the D MK 2 MOD 1 mine neutralization system were temporarily installed as the MCM suite.
- The results of the tests determined that the YP 695 (YP 683 Class) has difficulty maneuvering and holding course at slow minehunting speeds or station keeping without adversely affecting the AN/SQQ-14 sonar performance due primarily to interference from screw/rudder wash.

QUESTION: In 1987 the Navy sent several minesweeping boats, or MSB's, to the Persian Gulf to face a known and dangerous mine threat. Yet the MSB is less than one half the size of the proposed YP 683 COOP. Please comment on the suitability of the MSB for the Persian Gulf assignment in the context of maneuverability, mission effectiveness, and safety of personnel from mine detonations close-aboard.

ANSWER: Four MSB's were dispatched to the PG to provide a rapid response to a known threat for protection of enclosed harbor areas. These vessels were never designed or envisioned as having to operate in the open waters of the Persian Gulf. Two points are pertinent in this area: 1) the MSB's were going to be assigned to counter a "known" threat, that threat being a World War I technology shallow contact mine, only; and 2) even the relatively protected waters where they were to operate proved to be too rough for operations. As such, these boats were returned to the United States after short deployments.

QUESTION: Supporters of the YP 683 COOP claim that it can out perform the MHC coastal minehunter, which is the ship designated for future port breakout. In doing so they make the following points:

- Based on recent at-sea tests of mine detection and classification, the COOP sonar vintage 1989, is more effective than the MHC sonar, which is older technology and yet to be demonstrated, in the restricted waters around the piers and the channel leading to the harbor exit, and out to a least the 120-foot depth contour. Moreover, it is equally as effective as the MHC sonar out to the 200-foot contour. If even only approximately true, this would give the YP 683 COOP a mine neutralization capability in all U.S. ports, and, in the case of the Atlantic and Gulf Coast ports, a capability in the adjacent coastal water and extending several miles to sea.
- By way of contrast, the MHC sonar cannot be used in the variable depth mode for which it is optimized in the areas around the piers, and out to 120 feet, nor is its array stablized when in this hull-mounted mode.
- Similarly, the MHC mine neutralization vehicle is a highly sophisticated deep water system whose capabilities are not fully realized in harbors and coastal waters.

ANSWER: The following answers/comments address the individual points above:

- First, the technology of the sonar used on the COOP vessel was early 1950's whereas the SQQ-32 sonar is 1990's technology. The SQQ-32 sonar is highly superior to the YP 683 sonar in all respects.
- Second, the capability of the SQQ-32 sonar does not require it to go into a dipping mode when in such shallow water. The full capabilities of the sonar are available and stablized in the hull-mounted mode. Conversely, the sonar tested on the COOP vessel, also a dipping sonar, does not have the capability of the SQQ-32 in either detection or classification ranges, whether around a pier or out to 120 feet.
- Third, the capabilities of the AN/SLQ-48 Mine Neutralization System (MNS) are fully realized in either shallow or deep waters. It is more powerful, more capable, and more versatile then any system in use in the world today.

QUESTION: It is noted that the MHC, which originated conceptually as a "low mix" option to the "high mix" MCM 1 class minehunter, has now grown to a size larger than the original "high mix" design, costs approximately the same as the current "high mix" ships under contract, features the same combat suite as the current "high mix" ships and yet is not deployable.

ANSWER: The MHC is not and was never conceived as "larger" than the MCM 1 class ship. The difference in cost between an MCM 1 and MHC 51 is not negligible. In FY-90 dollars the average unit cost of an MCM 1 is $44M dollars more, per ship, than the average unit cost of an MHC 51. This cost difference does not take in to account the higher life cycle cost of maintaining a wooden hull vice a GRP hull. It, also, does not take into account the higher

MPN/RPN cost associated with operating MCM 1 class ships. The cost of manning an MCM is 37 percent higher per ship than the cost of manning an MHC. Additionally, the MHC does not have the same combat systems suite as an MCM. The only commonalties are the SQQ-32 sonar and the AN/SLQ-48 Mine Neutralization systems.

QUESTION: The changing world situation would suggest that the time has come for the port breakout mission to be logically assigned to the Naval Reserve. Yet the costly and sophisticated platforms being acquired by the Navy for mine countermeasures would seem to discourage any attempts toward this objective. It is suggested that the proposed YP 683 COOP is ideally suited for this goal.

ANSWER: The past, current, and future planning for port breakout relies heavily on Naval Reserve forces. The Reserves are an integral part of this vital mission. For them to effectively do this mission, however, requires that they have the equipment to perform it in the safe and timely manner necessitated. The YP 683 COOP will not provide the platform or equipment necessary to deal with the sophisticated mine threat anticipated for a port breakout. As such it has always been the plan for the Naval Reserve to be equipped properly by having MCM 1 and MHC 51 class ships assigned. The Reservists who will perform this mission are competent and well trained on the existing MSO's and will transition smoothly in the MCM's and MHC's just as they have on other sophisticated platforms such as FFG-7 class frigates.

QUESTION: In summary, if the bulk of the port breakout mission can be performed by a vessel costing about 20 percent of the MHC, and manned by a complement 1/3 that of the MHC, and with a minehunting suite that is optimized for the inshore role, then one must question the logic in pursuing the MHC program, especially since its termination at this early stage offers considerable savings in the out-years. It is believed that a mix of AMCM helicopters and MCM 1 class ships for the offshore and overseas mission, complemented by an appropriate number of Reserve-manned COOP ships operating from our major U.S. ports, is worth addressing in the best interests of the Navy.

ANSWER: During the recent MCM Chief of Naval Operations (CNO) Executive Board (CEB) of August 1989 the above roles and capabilities were looked at extensively. The clear result of this CEB was that in order to be able to successfully counter the sophisticated mine threat of today it is imperative that the best technology available must be used on the platforms that would offer the best possibility of detection and survivability. The YP 683 COOP offers only low grade, thirty year old technology in a platform that is neither magnetically, acoustically, nor technologically suitable for minehunting.

BASE CLOSURES

Question: Mr. Secretary,

I am concerned that some of the base closures that have been proposed for the Naval Reserve are ill-advised and do not seem to consider the unique aspects of where the Naval Reserve bases and stations need to be located. When I look at the list of closure candidates I see NAS Alameda, CA, Naval Station Treasure Island, CA, Naval Station Long Beach, CA, and Naval Station Philadelphia, PA, four of the largest stations in the Naval Reserve community.

Reserve bases need to be located near the population centers. You have essentially cut the heart out of the Naval Reserve community with these proposed actions. When you couple this with the closures of the Naval Air Facility at Selfridge AFB, near Detroit and the Naval Air Station, South Weymouth, MA, it indicates a plan to eliminate the Naval Reserve participation from population centers and relegate them to co-locating at USN bases which are not necessarily located in the heavily populated areas of the country. This proposed closure action would ensure that the Naval Reserve not only could not expand but it would be unable to maintain its present structure. Additionally, the base at Selfridge will remain operating under the auspices of the Air and National Guard so no closure funds can be realized and MILCON funds expended on the Naval Reserve hanger complex will have been wasted.

Where will all the displaced Naval Reservists and their equipment now drill?

Answer: The concerns you express with regard to maintaining a Naval Reserve presence in large population centers are among the factors to be fully considered prior to any decision recommending a site for closure. A detailed study of what facilities could be closed and the impact, including effects on local reservists, will be done prior to making any recommendations for closure. At this time, these studies have not been completed.

QUESTION: Mr. Secretary,

In view of all the Naval Reserve MILCON dollars that have built the piers at Treasure Island in recent years, where are these ships going to be berthed and what will be the cost of the move?

Answer: The subject of base closure is a complex and sensitive issue. Continued operation of our bases is an expense that must be legitimately considered as the entire Defense Department is forced to reduce its total budget. In this regard, the Navy is judiciously studying which of its bases will be needed to support realistic future requirements.

No final decisions have been made regarding the future of the Naval Station, Treasure Island or the Naval Reserve activities located there. Plans for the relocation of ships and their related costs will be developed in conjunction with any subsequent decision to close the base.

DISTRIBUTION OF P-3 AIRCRAFT

QUESTION: If the Navy reduced its active duty forces, it may be planning to spread the P-3C's over the remaining active and reserve squadrons, creating an all P-3C force and placing the P-3B's into storage. But, if the Navy does this, it will not be able to retain and maintain the aircrews coming off of active duty, will it?

ANSWER: The Navy is not planning to create an all P-3C force. P-3Bs will be needed in the Naval Reserve until a follow-on aircraft begins replacing the P-3C in the active force. At that time, the P-3Bs will be coming to the end of their service life, and will be replaced, almost certainly by P-3Cs. Those aircrewmen not retained on active duty would be able to fly the same equipment in the Reserve that they flew in the fleet.

DISSIPATION OF ASSETS

QUESTION: Isn't it a terrible waste of manpower to dissipate these assets?

ANSWER: The Navy will make every effort to retain these assets in the Navy Reserve.

NATIONAL EMERGENCY RECALL OF AIRCREWS

QUESTION: In case of national emergency, these trained assets would be unrecoverable, except with great difficulty, is that not true?

ANSWER: Yes, once service members leave active duty, they are accessible through their affiliation with Naval Reserve Units or the Individual Ready Reserve.

NAVY SURGE POSTURE

QUESTION: Wouldn't the Navy be in better surge posture by maintaining the Required Operational Capability (ROC) assets in the combination of the Reserve and Active Duty squadron assets?

ANSWER: The Maritime Patrol Aircraft (MPA) community is doing this now. At present, 35 percent of the Navy's MPA force is in the Naval Reserve.

UPGRADING P-3A/B AIRCRAFT FOR NAVRES

QUESTION: Wouldn't the Navy be better equipped against contingencies by upgrading the present P-3A and P-3B assets using a combination of Service Life Extensions and modernized electronics in the Navy P-3A and P-3B aircraft to provide an adequate capability and to have capable aircraft that can be used to maintain the proficiency of crews coming off of active duty? Wouldn't this be preferable to dissipating these crews?

ANSWER: The older aircraft could be modernized and made more operationally capable via engine and avionics upgrades, but the cost would be out of proportion to the gain. Service life on the older aircraft would be limited, leaving a limited capability for a short time for a large cost. Under the current plan, the Reserves will transition to P-3Cs as they become available, making them more compatible with the rest of the fleet.

UPDATE IV AVIONICS

QUESTION: I would like to ask some questions about the "Up Date Four" (UD-IV) avionics package that was being developed for the P-7. Can you tell the committee the approximate price of ship set of UD-IV equipment? What is the total cost of this program including: development, test, hardware for all of the targeted aircraft, spares, trainers and training?

ANSWER: The UD-IV ship set costs $12.5 million each. The UD-IV total program cost, including development, test, and hardware for all targeted aircraft (108 P-3 retrofit/125 P-7A forward fit), spares, trainers, and training is $3.5 billion.

UD-IV SENSORS

QUESTION: Will the ASW processing portion of UD-IV process any sensors that are not processed on existing fleet equipment?

ANSWER: Yes, the Tactical Surveillance Sonobuoy, the Expendable Reliable Acoustic Path Sonobuoy, and the Acoustic Intercept System will be implemented in the UD-IV program.

QUESTION: The Congress has heard testimony from some very knowledgeable and able former members of the executive branch that have advised the Congress that the National interests are best served by improving existing equipment unless new developments provide a quantum improvement in MISSION capability. In your opinion, how does the UD-IV acoustic development compare to such criteria? In other words ... what will the UD-IV acoustic suite process that is not already being processed by the UD-III acoustic suite?

ANSWER: Acoustic processing will be dramatically improved by the addition of the UYS-2/Enhanced Modular Signal Processor integrated into a distributed data bus and supported by tactical decision aides and operator alerts. The system is designed to incorporate new sensors and software in a planned product improvement upgrade as the threat changes. The UYS-2 provides more processing modes, increases the number of processing channels from 32 to 54, and expands frequency processing capability at both the low and high ends of the frequency spectrum. All of these enhancements provide significantly improved mission performance not attainable with the UD-III system.

SQQ-T1 TRAINER

QUESTION: We have heard that the POM 92 training appraisal cited dramatic decreases in acoustic analysis proficiency among acoustic operators that are not provided training during deployment. Are you acquainted with the perishability of this training?

ANSWER: We are well aware of the perishability associated with acoustic analysis skills and training. That perishability is the very reason we have established various training programs to improve sonarmen proficiency in acoustic analysis. Surface Ship ASW Analysis Centers are being established in major homeport areas to provide shore based acoustic operator proficiency training to maintain the acoustic analysis skills initially acquired through ASW school formal classroom training. Additionally, reinforcement training by use of acoustic "roof top" trainers is provided on a weekly basis while in homeport. The SQQ-89 Onboard Trainer was developed to stimulate all ship sonars, both active as well as passive. This shipboard trainer is installed in conjunction with SQQ-89 systems to provide an acoustic operator proficiency trainer that can be utilized by the ship both at sea or pierside. The SQQ-89 Onboard Trainer is also being evaluated as a candidate for installation on other ASW ship classes that do not have an SQQ-89 system. This approach would benefit the Navy by having a common trainer which would facilitate conducting pierside multi-ship ASW training.

QUESTION: Didn't the Navy provide for onboard training on SQQ-89 equipped ships by using an onboard trainer?

ANSWER: Yes. In March, 1984, the Navy established this requirement. The first trainer was installed in FY-88 in USS LAKE CHAMPLAIN (CG 57) during post-shakedown availability. Reports from the fleet have been excellent and the Navy is proceeding with procurement of the SQQ-89 Onboard Trainer.

QUESTION: Do you know the cost of this trainer equipment and the cost of installation?

ANSWER: The costs are as follows:

SQQ-89 OBT Hardware Unit Cost:	$850K
Spares per System:	$140K
Installation per System:	$ 70K
Training per System:	$ 20K

QUESTION: Given the need for this type of training, does the Navy intend to provide these SQQ-89 trainers for such ASW platforms as the Coast Guard High Endurance Cutters (WHEC) and the Navy Inshore Undersea Warfare (IUW) Units.

ANSWER: The Navy is preparing a Development Options Paper (DOP) for improvement of the USCG ASW capability in smaller cutters. An onboard training capability will be reflected in the system options, which may also have applicability to the WHEC. Because of its ability to stimulate the active hull sonar, modification of the SQQ-89 OBT may be an attractive option for this class.

Since the MIUW employs only sonobuoys in their coastal surveillance mission, and are equipment-limited by the size of their portable vans, their training requirements can be supported by lower cost, desktop computer-based trainers such as the Passive Acoustic Display System (PADS) or the Tactical ASW Interim Trainer (TASWIT) in use at the ASW Training center.

QUESTION: The Congress has mandated the development, acquisition, and sparing of SQQ-T1 trainers. Can you provide the Committee the cost of a set of this equipment and the cost of installation?

ANSWER: The following are estimated costs based on prototype experience:

SQQ-T1 OBT Hardware Unit Cost:	$525K
Spares per System:	$150K
Installation per System:	$ 26K
Training per System:	$ 25K

QUESTION: Would it not be possible for the Navy to provide funds to equip these smaller units with appropriate SQQ-T1 Trainers?

ANSWER: The SQQ-T1, if acceptable upon completion of evaluation, would certainly be a candidate. The Navy will consider all alternatives in the selection of trainers which most cost effectively match capability with the systems and mission requirements of the platforms in which they are to be installed.

LOCKHEED P-7 CONTRACT

QUESTION: Mr. Secretary, I would like to ask some questions about the Navy's maritime patrol assets. The Navy has a firm fixed price contract with Lockheed Corporation that allows for acquisition of P-7 aircraft for approximately $38 M per aircraft, does it not?

ANSWER: The Navy has a fixed price (incentive) contract with Lockheed Corporation, which allows for acquisition of the P-7 aircraft for an average airframe price of $38M per aircraft. However, each production lot has a fixed price target and ceiling price for each unit. In addition, each unit price varies with the quantity procured.

QUESTION: Does the Navy anticipate purchasing P-7 aircraft at the contracted price? If not, what is the Navy's target price per aircraft including spares, training and support? The press has been quoting costs in the area of $68M per airframe WITHOUT mission avionics. Can you provide more precise information concerning the Navy's intentions?

ANSWER: Yes, the Navy intends to maintain the present fixed price (incentive) contract at the current contract prices.

JOINT STRATEGIC OPERATING PLAN OBLIGATION

QUESTION: How does the Navy propose to fulfill its obligations to the Joint Strategic Operating Plan (JSOP) in the interim while waiting for the P-7 (or its replacement) to become operational?

ANSWER: The Navy intends to fulfill its obligations to the JSOP using its current P-3 inventory. In order to better meet the submarine threat of the 1990s, an extensive Update IV retrofit program is planned to upgrade many of the current P-3Cs.

P-3 FORCE STRUCTURE REDUCTION

QUESTION: We have been hearing rumors that the Navy is actually planning to reduce its active duty P-3 force structure to accommodate for the lack of P-3 airframes. Is that so?

ANSWER: The Navy reduced MPA force structure this year, dropping the normal authorization of P-3 aircraft per active duty squadron from 9 to 8. This was not done because of a lack of airframes but rather to accelerate the retirement of older, technologically obsolete aircraft and to reduce aircraft maintenance and personnel costs while awaiting the arrival of P-7. In future budgets, changes in threat and fiscal constraints could cause the Navy to reexamine MPA force structure requirements. Again, the driving factor is budgetary, not numbers of airframes.

Navy Maritime Patrol Assets

Question: The active duty aircrews are highly trained professionals and the Navy should try to maintain a high number of them in the Reserves as a hedge against a change in the current world environment. Wouldn't you agree?

Answer: The Naval Reserve will attempt to recruit all required, qualified aircrewman that leave active duty. They bring a wealth of talent and current tactical procedures to the squadrons. Whether these people decide to live near a Naval Air Reserve site will largely determine whether or not they will affiliate with the Naval Air Reserve.

Question: I would assume that the Navy is planning to sizably increase the number of reserve P-3 aircraft and squadrons to accommodate these trained crews and guard against their premature dissipation, thus preserving the total force structure. This would be consistent with report language. Is this, in fact, the Navy's intention?

Answer: There are no plans in the FY 91 budget to increase the number of P3 squadrons in the Naval Air Reserve.

P-3A RETIREMENTS

QUESTION: We understand that the Navy has sent all of its remaining P-3A airframes for storage at Davis Monthan. Is that so?

ANSWER: No, although all of the P-3A anti-submarine (ASW) aircraft are being retired from the reserves this year, they are not all being sent to Davis Monthan. Many P-3A aircraft will remain in the active force as derivative-type airframes (non-ASW, support aircraft), and some will be used for spare parts support or be donated to the Naval Aviation Museum. However, the majority are being offered as Foreign Military Sales assets.

P-3A AIRFRAME HOURS

QUESTION: We have heard that some of these aircraft (P-3A's) actually have fewer hours on the airframes than some of the P-3C's in the active forces. Is that so?

ANSWER: A few of the P-3As remaining in the Reserves as ASW aircraft do have fewer flight hours than some of the oldest P-3Cs in the active forces. However, they also are obsolete in many other ways. They have the older lightweight landing gear, which limits the amount of fuel and/or stores they can carry, which translates into less payload, range and endurance. They also have the T-56A-10 engines, which are no longer being built, have limited parts support, and produce barely adequate power. The cost of upgrading these aircraft to current standards would be out of proportion to the gain.

NAVAL RESERVE AND THE TOTAL FORCE

QUESTION: Your predecessor, twice removed, testified just last month before another Committee that two fundamental changes are needed for the Navy to adapt to lower budgets in a period of lessened tensions in the world. He stated that the sacred six-month deployment should be dropped and a significant part of the fleet should be shifted to the reserves.

The releases I read out of the Navy these days seem to say just the opposite. Your 7 February 1990 letter, for example, changed a stated policy of putting all the surface mine warfare ships in the Naval Reserve after a year in the active fleet to where you now propose to keep all the MCMs and one MHC in the active fleet and, for now, plan to assign the follow-on MHCs and "other ships" to the Naval Reserve. This is a confirmation of the Reservists' contention that the Naval Reserve provisions always seem to remain in the budget 'out years.' The CNO has publicly implied that because the administration has not called up the Reserves needed, despite the President's authority to do so, the Navy cannot count on the Naval Reserve participation for specific contingencies such as the Persian Gulf hostilities. The CNO also stated that "so-called defense experts" wrongly claim that large savings can be realized by the expansion and transfer of assets to the Naval Reserve and that, apparently, modern ships and aircraft are too sophisticated and modern Naval Warfare too complex to be entrusted to the Naval Reserve. (The "too complex" and "too sophisticated" arguments have been used against the Naval Reserve since they fought WWII.)

I would like your comments on these statements but before you answer, Dr. Lehman noted considerable changes in the way the Navy utilizes the Reserves since his tenure. The Commander Naval Reserve was demoted from three to two stars; there has been a shift of emphasis from the ROTC Reserve to regular commissions; there has been an increase in Naval Academy output coupled with a decrease in total officer strength; the minimum active duty obligations for aviators has been increased to nine years. These actions plus the emphasis on participation in fleet services by the NRF ships requires a large percentage of the crew being on active duty. Dr. Lehman made some very specific recommendations concerning what needs to be done to accommodate to lower budgets: Reduce the operating tempo by reducing the number of ship deployments; shift a significant number of ships and aircraft to the ready reserve with a 50% active and 50% reserve mix of personnel to operate on weekends and on fleet exercises during annual training duty; Enlistees to be given the option of two years active duty followed by six years in the drilling reserve; similarly, graduates of the Naval Academy, NROTC and OCS should be given the option of three years active duty followed by seven in the drilling reserve.

The Congress has consistently taken the lead in supporting the Guard and Reserve Forces and has passed legislation providing the President with the means to meet the contingencies ranging from very limited response to total mobilization of the country's assets. Because the Administration chooses to ignore some of its lawful alternatives should not, in my estimation, be grounds for funding the active force when the Reserves can fill the bill.

Mr. Secretary, I apologize for such a long worded question but I believe that the issues I referred to are complicated and of considerable importance to our deliberations.

ANSWER: Your statement has touched on many issues of interest and importance to the Navy. They will be addressed by subject area as follows:

Mine Countermeasures Ships (MCMs). As indicated in my 7 February letter to you, Navy's decision to keep the first 12 MCMs in the active force was based on the recommendation of a CNO Executive Board Task Force (CEB-TF) established to address the complex issues of mine countermeasures. These ships, as well as one MHC and two MH-53E squadrons, are required to respond to low intensity conflicts and provide for immediate port breakout should the need arise.

Consistent with Navy's long-standing policy of horizontal integration under which we have introduced a wide range of modern equipment into the Naval Reserve, Navy has been generous in equipping its reserve forces with the latest weaponry, including the F/A-18, the P-3C Update III, FFG-7s, and HH-60H helicopters.

The availability of Reservists for service during crises/contingencies short of mobilization. Navy fully supports the use of the President's 10 USC 673b authority to involuntarily recall Selected Reservists to meet crisis/ contingency requirements and other operational missions.

Cost savings expected from placing forces in the Naval Reserve. I support the CNO's assessment that large savings do not necessarily accrue from the transfer of assets to the Naval Reserve. Savings vary widely according to mission, type unit, manning, operational tempo, and support requirements. For instance, placing a frigate in the Reserve results in about a 10 percent savings while placing a carrier air wing in the Reserve results in about a 50 percent savings.

CNO's statement regarding the sophistication and complexity of modern ships, aircraft and Naval Warfare. I am familiar with the CNO's statement and disagree with your interpretation. He did not say that modern ships and aircraft are too sophisticated and too complex for the Naval Reserve to operate. As stated earlier, we have modern, sophisticated ships and aircraft in the Naval Reserve which are being routinely and competently operated by Reservists.

Rank of the Chief of Naval Reserve. To clarify your statement about the Chief of Naval Reserve being "demoted" from three to two stars, that billet has been filled by Rear Admirals (two-stars) in the past. While in the position, Rear Admiral Kempf was promoted to Vice Admiral (three-stars). His successors have been Rear Admirals. The Navy would like to have more Vice Admirals, unfortunately, statutory limitations preclude this.

Minimum service obligation for naval aviators. The minimum service obligation (MSO) for aviators is not nine years. The FY 90/91 Authorization Act specifies an eight-year obligation for jet pilots and six years for prop and helo pilots and Naval Flight Officers.

Mr. Lehman's recommendations. As a maritime nation, it is imperative that the United States maintain a strong Navy to protect its national interests and promote its policies on a global scale. To meet these objectives, some forces must be forward deployed. In a third world or regional crisis, forces immediately available are more likely to influence the course of events in the United States' favor than distant forces enroute to the scene.

Over the last decade, the Navy has made great strides in integrating its active and reserve components and bringing the "One Navy" idea into being as policy. A key factor in this process is having reserve units train and operate with their active duty counterparts — which is what they want to do. The Naval Reserve has moved beyond the "weekend warrior" status and I do not see the Navy taking a step backward by reducing the participation of Naval Reserve units in fleet operations; those operations, after all, provide the best training.

There are two points to be made about the active/reserve split duty options: (1) After an individual leaves active duty, he or she may live where they choose, whether or not there is a reserve center convenient for training in that locale. Consequently, holding someone to a drilling obligation in those circumstances would be difficult and could be expensive, depending on the amount of travel required. (2) Giving enlistees the option of two years active duty followed by six years in the drilling reserve, and Naval Academy, NROTC, and OCS graduates the option of three years active duty followed by seven years in the drilling reserve, would generate additional programmed losses from the active force which would have to be offset by additional accessions and would result in increased recruiting and training costs.

QUESTIONS SUBMITTED TO THE COMMANDANT OF THE MARINE CORPS BY SENATOR D'AMATO

MARINE CORPS COUNTERNARCOTICS PROGRAMS

QUESTION: Could you describe the following Marine Corps counternarcotics programs? Also, please describe the Marine Corps plans for future support to our counternarcotics effort:

a. Personnel and training support to law enforcement agencies (LEA's). (i.e., the assignment of six personnel to DEA to assist in planning Latin American drug lab eradication operations);

ANSWER: The Marine Corps provides personnel and training support to the LEA's.

Currently there are four Marine Officers and two Staff Noncommissioned Officers assigned to the Drug Enforcement Administration (DEA). Additionally, the Marine Corps is temporarily providing two officers to assist the DEA in developing a campaign plan for Operation Snowcap (drug lab eradication operations) and validating the training program for SNOWCAP.

The Marine Corps currently provides pre-deployment training for DEA agents at MCCDC, Quantico, VA. This training prepares them for their deployments to South America in support of Operation SNOWCAP. This training is conducted on a quarterly basis.

DEA Training Facility. At the request of the Attorney General, the Marine Corps has identified 170 acres of land adjacent to the FBI Academy at MCCDC, Quantico, VA to expand the FBI Academy to accommodate DEA training. Negotiations are taking place to effect the transfer of the land and to build a training center.

b. Aircraft support for detection and monitoring of incoming drug flights on the U.S. eastern seaboard;

ANSWER: USMC aircraft (OV-10) stationed at Roosevelt Roads, Puerto Rico, support JTF-4 in their detection and monitoring missions in the Caribbean, the Gulf of Mexico, and areas off the coast of Florida.

c. Radar support in the Caribbean and the placement of an aircraft wing in the Bahamas to provide detection and monitoring support;

ANSWER: Fourth Marine Aircraft Wing provided detection and monitoring support at Georgetown on Great Exuma Island during 1st Qtr FY-90. The TPS-59 radar filled a gap until an aerostat was in place.

Second Marine Aircraft Wing provides detection and monitoring support to JTF-4 from the Turks and Caicos Islands in the Bahamas. Using a TPS-8 Air Force radar, these Marines have contributed to numerous U.S. Customs Service intercepts of drug-trafficking aircraft.

d. Use of a mobile training team to train the Royal Bahamas Defense Force and the Colombian Marines to enhance their drug interdiction capabilities;

ANSWER: A mobile training team was sent to the Bahamas in September 89 to provide the Royal Bahamas Defense Force with tactical training to enhance their drug interdiction capabilities.

Another MTT for the Royal Bahamas Defense Force is planned in June 90 to train additional defense force personnel.

MTTs are planned for deployment to Colombia in the near future to train the Colombian Marines in riverine operations, ordnance repair, and recruit/NCO training techniques. Additional MTTs for riverine operations are being considered for Peru and Bolivia.

e. Joint training, intelligence planning assistance, and surveillance operations with the Border Patrol on the southwest border.

ANSWER: The first deployment of Marines to the border occurred in late November 1989, when reconnaissance Marines teamed up with Border Patrol agents to occupy OPs in the Tucson and El Paso Sectors. Marines did not engage in search, seizure, apprehension, or pursuit of observed drug smugglers during this training, but they did provide information to the Border Patrol which resulted in some arrests and the seizure of significant amounts of marijuana and cocaine.

Fourth Marine Division (USMCR) Marines, augmented by I MEF Surveillance, Reconnaissance, and Intelligence Group (SRIG) elements to include remotely piloted vehicles (RPVs), conducted similar training in the Laredo and Del Rio Border Patrol Sectors in February 1990. Their efforts resulted in the arrest of several smugglers and the seizure of large amounts of marijuana.

Intelligence Support. An intelligence officer from I MEF was assigned TAD to the Tucson Border Patrol Sector (11-22 Sep 89) and the El Paso Border Patrol Sector 10-20 Oct 89). He was sent to offer intelligence planning assistance and to aid the Sector headquarters in the formal collection, production and dissemination of tactical intelligence. Another intelligence officer was sent TAD to the Tucson Sector

25 March-8 April in a follow-up visit. He assisted the Border Patrol in implementation of recommendations made after the previous visit.

Various types of support to the Border Patrol along the southwest border are planned for the near future. Additional joint training and surveillance missions are planned, as well as follow-on intelligence support and engineer support.

QUESTION: The Marine Corps has stated that it is "reaching beyond its own" and is working with community leaders to assist them in their efforts in ridding their neighborhoods of drugs. Describe what demand-side initiatives the Marine Corps has developed and implemented.

ANSWER: The Marine Corps has undertaken several demand-side initiatives with a nation-wide focus which reaches beyond the Corps and into the community.

In the last year, Marines have been involved in community oriented drug prevention programs which served over 600,000 civilians. These programs include Boy/Girl/Cub Scouts, Brownies, church groups, elementary and high schools, Marine Corps Junior Reserve Officer Training Corps (MCJROTC), prisons, etc. Marine Corps Substance Abuse Counselors are very much involved in the local community and are frequently called upon to give lectures on substance abuse.

A Marine Corps Order entitled "Marine Corps Community Drug Education and Assistance Program" (MCCDEAP) has been published which provides guidance to the field on ways in which the Marine Corps and the individual Marine can be of assistance to the local community and encourages them to become involved in these programs. In coordination with MCCDEAP, we are developing a program for latchkey children (children left unattended at home after school, on weekends, etc.) which will focus on both civilian and military children in and around Marine Corps bases and installations. The purpose is to provide professional guidance and keep children occupied with a developmentally appropriate curriculum which will reduce the demand for illegal drugs.

The Marine Corps provided assistance to the Maryland Department of Public Safety and Correctional Services in preparing "drill instructors" for the initial phase of their youth correctional program. The Marine Corps Officer Candidate School conducted a three week orientation course which included organization, discipline, procedures, conduct of drill and physical training, instruction and practice on conducting inspections and establishing standards for clothing, personnel, and billeting areas, etc.;

instruction on stress and harassment; and other applicable instruction and training. Assistance will be provided after this initial training of trainers to help the Department establish their own "train the trainers" course.

Currently the Marine Corps staffs 80 MCJROTC units at high schools throughout the Nation. We are currently pursuing the establishment of an additional 23 units for a total of 103. The benefits provided by establishing positive role models in these schools could have a deterrent effect on the use of drugs by our high school students.

The Director, Drug Control Policy for the District of Columbia, has requested that the Marine Corps provide planning assistance to his strategy teams for implementing the District's "NOT ON MY BLOCK" program. The program is designed to recapture the District's neighborhoods from the drug dealers. In order to accomplish this goal, the program will rely heavily on citizen volunteers, as well as religious, civic, and business groups participation. Some aspects of the program include neighborhood watch and cleanup activities, youth education and recreation activities, public relations campaign, and additional police assistance to eliminate the drug dealers.

QUESTION: Has the Marine Corps been reimbursed from the Department of Defense counternarcotics budget for any of its anti-narcotics activities?

ANSWER: $932 thousand has been transferred to the Marine Corps from the OSD Central Counternarcotics Fund via the Navy to fund Southwest Border counternarcotics operations. $18 thousand will be transferred upon approval of OSD from internal OSD sources to support the south west border effort. An additional $55 thousand for radar deployment in support of CINCLANT operations in the Bahamas' will be transferred upon approval of OSD's Counternarcotics reprogramming request to Congress. Total support for the program in FY 1990 from the DOD Counternarcotics budget would be $1,805 million. A Counternarcotics Program Fiscal Guidance message has been sent to the Force Commanders, 4th MarDiv, and 4th MAW which provides guidance for reimbursement of funds expended to support Southwest Border operations and accounting procedures for future operations.

FY 1990 SEQUESTRATION IMPACT

QUESTION: What impact did the sequester have on Marine Corps programs and force structure?

ANSWER: The sequester has not yet impacted on active duty Military Personnel Marine Corps (MPMC) programs in the absence of a decision by Congress on reprogramming, We do not expect the outcome to impact at all on USMC force structure. We have prepared a number of contingency plans but have continued to execute our active duty manpower plan at appropriated levels. We did this to avoid adverse impacts on our Marines. If necessary, we will take actions to meet Congress's final decision should the reprogramming amount be less than 100 percent. For Reserve Personnel, Marine Corps (RPMC), however, our onboard monthly strengths were decreased in our Non-prior service and drilling reservists. This reduced the manpower available for operational training and mobilization while allowing the Marine Corps Reserve to meet its commitments.

OPERATION JUST CAUSE

QUESTION: In reference to OPERATIONS JUST CAUSE, what was it and wasn't it in terms of U.S. operational capability?

ANSWER: OPERATION JUST CAUSE was a joint U.S. military operation that successfully achieved it's primary operational objectives. The major objectives, as stated by National Command Authorities and as contained in USCINCSO Operation Order 1-90, were to ensure canal operation, freedom from Panamanian Defense Force (PDF) abuse and harassment, freedom to exercise treaty rights and responsibilities, the removal of Noriega from power and Panama, removal of Noriega's accomplices from office, and the creation of a PDF responsive to and supportive of an emergent, freely elected, democratic government of Panama.

OPERATION JUST CAUSE was not a purely expeditionary operation in the classic sense of the term. A purely expeditionary operation implies "what you have is what you brought". Although a significant number of personnel and large quantities of supplies and equipment were transported to Panama in connection with the operation, the size of the pre-invasion force (@ 12,000 U.S. military), the existing military facilities (Howard AFB, Rodman Naval Station, USCINCSO Headquarters at Quarry Heights, etc.), and the amount of equipment already in Panama, provided an enormous advantage not likely to exist in any other scenario involving U.S. forces on foreign shores. Additionally, the existence of U.S. controlled facilities from which to operate negated the "forced entry" characteristics usually associated with true expeditionary operations involving actual combat.

QUESTIONS SUBMITTED TO THE SECRETARY OF THE NAVY BY SENATOR RUDMAN

FIXED DISTRIBUTED SYSTEM (FDS)

QUESTION: Given the circumstances associated with the current need to reduce the federal budget deficit, shouldn't the Navy give serious consideration, as part of its acquisition strategy, to conducting a competitive winner-take-all procurement for the supply of FDS cable, as opposed to paying more in a dual source arrangement?

ANSWER: To increase and preserve a competitive industrial base within FDS, the program is presently conducting a dual source, full and open competitive procurement of the manufacture and supply of Deep Water Trunk (DWT) cable. Dual source procurement was used due to the large quantity required, as well as the necessity to reduce risk and maintain program schedule. The dual source approach also ensures that a sufficient production capacity for future systems is available. It is, however, a consideration within the acquisition plan to award the contract to a single source if it is proven to be cost effective, the source is capable and has the capacity for such production.

QUESTION: Concerning the establishment of a new facility for assembling FDS cable, could you explain why the Navy needs this redundant capability and how it justifies the additional design, construction and operating costs, when an existing facility is already in place and operating, and capable of meeting all FDS requirements?

ANSWER: The Navy is in the process of reviewing FDS production capacity requirements over the next several months.

QUESTIONS SUBMITTED TO THE SECRETARY OF THE NAVY BY SENATOR SPECTER

BASE CLOSURES

QUESTION: Will a feasibility study for potential closure or realignment of the Philadelphia Naval Station be conducted regardless of the size of the future Navy force structure?

ANSWER: The continued operation of our bases incur expenses that must be legitimately considered as the Defense Department is compelled to reduce its total budget. In this regard, the Department of the Navy is judiciously reviewing the shore infrastructure implications of projected reductions in force structure in order to achieve maximum efficiencies without adversely affecting strategic and operational requirements. The Philadelphia Naval Station is included in that review. The expected size and composition of future Navy force structure will be the key factors considered as Navy infrastructure is examined.

QUESTION: Why is this installation being considered for closure or realignment? Will the future course of action regarding the Philadelphia Naval Shipyard affect any decisions in connection with closure or realignment of the Philadelphia Naval Station?

ANSWER: The Philadelphia Naval Station and other Naval bases are being studied for closure or realignment because diminishing future resource levels make it imperative that we logically consolidate our supporting infrastructure and aggressively reduce our overhead. The future course of action regarding the Philadelphia Naval Shipyard will be one of many considerations that is being factored into our study of the Naval Station.

FOREIGN SUPPLIERS

QUESTION: Vice Admiral P.M. Hekman, Jr., U.S.N., Commander, Naval Sea Systems Command, stated in his prepared testimony to the House Armed Services Committee on February 28, 1990, that he was concerned with the Navy's increased reliance on foreign suppliers, and a decline in domestic manufacturing capability for critical components. Do you share this view?

ANSWER: Yes, I concur with Vice Admiral Hekman's concern with the declining domestic manufacturing capability and increased reliance on foreign suppliers. Foreign dependency appears to be growing, but to what extent cannot be clearly established at this time. Use of foreign sources isn't inherently bad. Foreign sources can enhance and provide benefits to both cost and delivery. However, we must be concerned about the level of foreign dependency since it could hamper our ability to mobilize. Currently, a multi-year study on foreign sources and dependency is being conducted.

The study is being conducted by the Navy and the Department of Commerce, with the Department of Commerce having the lead in soliciting data from the vendor base. The study team has identified 4 major Navy systems, consisting of 10 prime contractors. The study, scheduled for completion in December 1990, encompasses approximately 5000 vendors through the third tier. Levels below the third tier will not be investigated, which may leave numerous unidentified foreign sources.

Regarding the decline of domestic manufacturing capability, it must be recognized that although many Navy supportive industries can be considered marginally "healthy," reductions in capacity and increases to manufacturing lead time have occurred in several key sectors. Since 1980, the industrial base producing propulsion diesel engine, gas and steam turbines has been reduced by approximately 40 percent. There are currently only two active producers of steam turbines. There is only one active manufacturer of large gas turbines and one of large diesel engines. Lead times for diesel engines have been increasing since 1987. In 1980, eight manufacturers produced reduction gears for large Naval applications. Today, five are supporting Navy programs and only three have in-house grinding capability to produce state-of-the-art hardened and ground reduction gears. During the past 10 years, manufacturers of propulsion shafting for large applications have been reduced from five to three, with one currently inactive in Navy programs. Large marine propeller manufacturers have declined from seven to five, with lead times increasing. Other supporting industries have realized capacity reductions and lead time increases in the last decade. Among these are: bearings, motors, generators, switchboards, pipe and tubing, compressors, steel plate, forgings, castings, deck equipment and electric cable.

In summary, considering past industry trends, the lack of commercial shipwork, the probability that future Navy shipwork will decline and the difficulty domestic manufacturers have experienced in their attempts to become competitive on the international market, further loss of capacity and lead time increases in many key industries are expected to continue. Continued erosion of the industrial base will result in increases in sole sourcing and loss or transfer of production capacity to foreign sources, causing still further reductions in domestic productive capacity. Such declines, and the expected increase in foreign sourcing and dependencies, cause concern in the long-term ability of the Navy to cost effectively execute further peacetime requirements.

AIR CIRCUIT BREAKERS

QUESTION: SPD Technologies, the only U.S. manufacturer of air circuit breakers, required on many Navy surface ships including the AEGIS Cruiser and ARLEIGH BURKE destroyer, has seen a sharp decline in its' Navy contracts due to foreign competition and may be forced to abandon its air circuit breaker manufacturing operation. If this were to occur, the Navy would be left without a domestic manufacturer of this critical component. Is the Navy considering issuing sole source contracts to domestic suppliers under 10 U.S.C. 2304(c)(3) in situations such as this? If not, is any other action being taken to maintain a domestic manufacturing capability for critical components?

ANSWER: The Navy is not considering limiting competition to a particular manufacturer under 10 U.S.C. 2304(c)(3) at this time. Circuit breakers are component parts of switchboards which are purchased by switchboard builders and supplied to the shipbuilders. Thus, the switchboards and circuit breakers within them are contractor furnished, not government furnished equipment. The switchboard builder may purchase air circuit breakers competitively from either of the two Navy qualified sources, SPD Technologies or Whipp and Bourne, a British manufacturer. The selection of a circuit breaker between the two qualified sources is based upon price and schedule considerations. Therefore, the Navy does not intend to restrict competition by directing a specific source for air circuit breakers for DDG-51 class ships.

NAVY JUNIOR ROTC

Question: I recently wrote to you concerning the termination of the Navy Junior ROTC program in the Harbor Creek School District, Harbor Creek, PA., due to low enrollment in the program. The school district requested a one year extension in the program so as to attempt to increase enrollment, and therefore, the viability of the program. Have you reached a decision in connection with their request for a one year extension?

Answer: Title 10, U.S. Code requires all Junior Reserve Officers Training Corps (JROTC) units to have a minimum of 10% of the total students enrolled who are at least 14 years of age or 100 qualified students, whichever is less. The Harbor Creek Naval Junior Reserve Officers Training Corps (NJROTC) unit has been below the minimum enrollment standards for 1988-1989 (school population 992, NJROTC population 91) and for 1989-1990 (school population 972, NJROTC population 79). Harbor Creek was given a letter of probation for unit enrollment on 28 February 1989.

I have received the package which recommends disestablishment of the NJROTC unit at Harbor Creek High School. My staff is currently evaluating your request to keep the program open for an additional year.

QUESTIONS SUBMITTED TO THE COMMANDANT OF THE MARINE CORPS BY SENATOR SPECTER

V-22 OSPREY

Question: What is the status of the Cost and Operational Effectiveness Analysis being generated to compare the cost effectiveness of the V-22 with alternative aircraft? When will this analysis be made available to members of Congress?

Answer: The V-22 COEA is essentially complete. The analyses have been run, and now it's just a matter of putting the report in its final format and getting it through the administrative process. Since the study was commissioned by the Secretary of Defense, I am not certain when it it will be made available to Congress.

Question: As you survey the changing world situation, do you see more or less need for the kind of capability the V-22 provides?

Answer: I don't think there is question that there is a growing need for an advanced technology rotorcraft, for commercial use as well as for military applications. The V-22 debate has tended to focus mostly on the military requirements for such an aircraft, and I am convinced that the arguments in favor of such a system are valid. The reduced threat in Central Europe and elsewhere as a result of reduced tensions with the Soviet Union has served to highlight the longstanding problems of international terrorism, civil unrest, drug trafficking, and insurgency in other parts of the world. Those problems still confront us, and they still pose a potential threat to our national interests.

As the size of the Defense budget declines, we must renew our efforts to find common solutions to a broad range of missions rather than developing a single system for each mission area.

I think the V-22 is one of those systems that has the potential to cross service and mission boundaries to provide increased interoperability within the Department of Defense at a reduced net cost.

We must also keep in mind that many of the changes taking place in the world today are driven as much by economics as by politics. As borders continue to open up and as nations attempt to move toward free market economies, the need for a vehicle like the V-22 is overwhelming. There is no shortage of goods to meet the needs of emerging nations, but the distribution systems cannot keep pace with demand. Those countries need transportation systems that do not increase the burden on an already over-extended infrastructure. An advanced technology rotorcraft such as the V-22 appears to me to be a major step in the right direction. When I survey the changing world situation in its broader context, there is no question in my mind that the need for an aircraft with the V-22's capabilities is growing.

Question: The ability of the V-22 to self-deploy to virtually any destination in the world would appear to reduce the burden on our already stressed airlift capabilities. Do you agree with this statement? If so, can you elaborate on your answer?

Answer: I agree that the V-22's ability to self-deploy reduces the demands on strategic airlift, and I think that is a very significant capability. Helicopters are essentially limited to two modes of transportation to get them to a potential area of conflict. They can be transported aboard ships, or they can be airlifted on strategic aircraft assets. The latter category is probably the most critical since the demand on strategic airlift tends quickly to outstrip the number of sorties available. There are several problems associated with air transport of helicopters. First, helicopters are low density cargo. They take up a lot of space on a cargo aircraft, but they do not utilize that space as efficiently as palletized cargo, for example. As a result, transportation of helicopters in cargo aircraft requires an inordinate number of sorties to generate the kind of force buildup that would be required for contingency response.

Air transportation of helicopters also requires an intensive maintenance effort at the points of embarkation and debarkation. Most helicopters have to be partially disassembled in order for them to fit aboard an aircraft. Once they arrive at destination, the helicopters have to be reassembled and run through a complete functional check. The entire process usually takes several days to accomplish.

With a self-deployable rotorcraft, such as the V-22, airlift sorties which otherwise would have to be used to carry helicopters can now carry troops and cargo, freeing up valuable strategic airlift. The V-22 can get to the area of operations, marry up with airlifted or prepositioned troops and equipment, and be ready to fight in hours, rather than days.

Question: Is the reduction in airlift requirements for the V-22, as compared to the alternative aircraft, being taken into account in the on-going Cost and Operational Effectiveness Analysis?

Answer: The V-22 Cost and Operational Effectiveness Analysis is considering the impact on stratgic airlift to some degree, especially with regard to the Norway Air Landed Marine Expeditionary Brigade and the Maritime Prepositioned Forces. Until we have had an opportunity to review the COEA results, I think it would be premature to comment on the level to which the strategic airlift question was studied.

SUBCOMMITTEE RECESS

Senator INOUYE. The subcommittee will stand in recess until 9 a.m., Tuesday, April 24. At that time we will meet with Department representatives to discuss Guard and Reserve issues and the role of the Department in drug interdiction.

[Whereupon, at 12:32 p.m., Thursday, April 5, the subcommittee was recessed, to reconvene subject to the call of the Chair.

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1991

TUESDAY, APRIL 24, 1990

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 9:02 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Daniel K. Inouye (chairman) presiding.

Present: Senators Inouye, DeConcini, Bumpers, Harkin, Stevens, Kasten, D'Amato, and Specter.

DEPARTMENT OF DEFENSE

NATIONAL GUARD AND RESERVE COMPONENT PROGRAMS AND DOD COUNTERNARCOTICS PROGRAMS

STATEMENT OF HON. STEPHEN M. DUNCAN, ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS)

OPENING REMARKS OF SENATOR INOUYE

Senator INOUYE. This morning, we are pleased to welcome the Assistant Secretary of Defense for Reserve Affairs and the leaders of the National Guard and Reserve as the subcommittee continues to address the administration's fiscal year 1991 budget request for DOD.

As demonstrated in recent operation Just Cause in Panama our citizen soldiers are an integral part of the total U.S. military force. Reserve forces flew airlift and attack missions and provided many of the civil affairs personnel and military police needed to restore order in Panama City. Just Cause is another chapter in what has become a very real success story—the readiness and combat capability of our Guard and Reserve forces.

The fiscal year 1990 defense budget requests $19.4 billion for pay, operation and maintenance, equipment, and construction requirements for the Reserve components. This represents only 6.5 percent of DOD's budget request. As I noted in an article I submitted for Roll Call, the Guard and Reserve are a bargain for the taxpayer.

Significant changes in world events are leading to a fundamental restructure of our Armed Forces. It is no secret that the budgets, personnel levels, and force structure of the military services will be declining because of these changes.

For the Reserve components, the principal issue is, How will they be affected as the Army, Navy, Marine Corps, and Air Force grow smaller? Will the DOE spread force structure reductions equally between the Active and Reserve components, or will the majority of reductions be restricted to the Active components.

The subcommittee will hear from two panels this morning. First we will hear testimony from the Honorable Stephen M. Duncan, Assistant Secretary of Defense for Reserve Affairs, and the commanders of the Reserves, Maj. Gen. William F. Ward, Chief of Army Reserve; Rear Adm. James E. Taylor, Director of Naval Reserve; Maj. Gen. Edmund P. Looney, Jr., Marine Corps Assistant Deputy Chief of Staff for Manpower and Reserve Affairs; and Maj. Gen. Roger Scheer, Chief of the Air Force Reserve.

Gentlemen, we are pleased to have you here this morning. Your written statements have been made a part of the record. Due to the large number of witnesses, I hope that you will be able to summarize your statements.

Mr. Secretary, welcome, sir.

Mr. DUNCAN. Thank you very much, Mr. Chairman. I will be brief.

SUMMARY STATEMENT OF SECRETARY DUNCAN

I am honored to have the opportunity to discuss issues which are of importance to the reserve components. I would, if I might have the Chairman's indulgence briefly, make a couple of preliminary remarks. I would like to refer, first of all, to the National Security report which the President released last month. In an important section entitled, "The Mobilization Base," the President's national security report states the following:

> The United States has never maintained Active forces in peacetime adequate for all the possible contingencies we could face in war. We have instead relied on Reserve forces and on a pool of manpower and industrial strength that we could mobilize to deal with emergencies beyond the capabilities of our Active units.
>
> For almost two decades, our total force policy has placed a significant portion of our total military power in a well-equipped, well-trained and early mobilizing Reserve component. Various elements of that policy—the balance between Active and Reserve forces, the mix of units in the two components, the nature of missions given Reserve forces—are likely to be adjusted as we respond to changes in the security environment. Reserve forces are generally less expensive to maintain than their Active counterparts, so, as we adjust force structure, retaining reserve units is one alternative for reducing costs while still hedging against uncertainties. It is an alternative we must thoroughly explore, especially as we better understand the amount of warning time we can expect for a major conflict.

Mr. Chairman, I want to assure the Chair and the committee that the Department of Defense is thoroughly exploring this alternative. Indeed, later this afternoon in my capacity as the Vice Chairman of the Total Force Policy Study Group, I will help preside over a meeting with our Commanders in Chief to explore precisely this issue.

With that, Mr. Chairman, and your admonition to be brief, I will close. I look forward to the committee's questions.

[The statement follows:]

STATEMENT OF STEPHEN M. DUNCAN

Mr. Chairman and Members of the Subcommittee:

The Reserve Forces of the United States enter the 1990's after a decade of growth and improvement which have assured their status as the best Reserve forces in the world. I have no doubt that the improvement in their capabilities has contributed directly to what the Secretary of Defense has described in his own testimony to Congress as an "historic transformation of the global security environment." As we engage in the continuing task of developing specific policies to implement our national security strategy, I'm honored to once again have the opportunity to appear before the Committee to report on the condition of the Reserve forces and to discuss the important responsibilities which our Reserve forces have been asked, and reasonably can be asked to assume in the future.

For almost two decades, the Total Force Policy has been a basic pillar of our military strategy. The express purpose and the recent effect of that Policy has, of course, been to place a substantial portion of our total military power in a high quality, volunteer, well-trained, well-equipped and early-mobilizable Reserve force. In recent years, I have discussed the quality of the Reserve forces with various committees of the Congress. Since the quality of the Reserve components is directly relevant to any consideration of the efficacy of the Total Force Policy, permit me to introduce my testimony today with a brief description of the actual performance of four of the seven Reserve components in the operation in Panama which commenced on December 20, 1989.

Operation JUST CAUSE

Statistical data and words often have limited utility in conveying the true quality and readiness condition of military units and personnel. Intangibles, such as morale, the quality of leadership, unit cohesiveness, etc., can make a unit much better than objective data would suggest. The converse is also true. The best measurement of quality and readiness is actual performance. In the recent and highly visible test of performance in Panama, National Guardsmen and Reservists with a wide range of skills, including many unique skills, performed brilliantly.

The Army Chief of Staff has described Operation JUST CAUSE as one of the most complex contingency deployments and employment that U.S. forces have undertaken since World War II. When the operation began on December 20, 1989, personnel from the 180th Tactical Fighter Group (TFG) of the Air National Guard from Toledo, Ohio, were engaged in regularly scheduled training at Howard AFB, Panama, with five of their A-7 aircraft. The 180th flew 76 close air support sorties and expended in excess of 2,700 rounds of ammunition. More significant than the number of rounds fired was the psychological effect on members of the Panamanian Defense Force (PDF) of the combat aircraft buzzing isolated PDF installations. The visible presence of the aircraft was credited as a major factor in the widespread surrender of PDF forces without a fight. Three days after the operation began, the Air Guard personnel from the 180th were replaced by crews from the 114th TFG in Sioux Falls, South Dakota, who were flown to Panama on C-141 aircraft piloted by the Air National Guard in Mississippi.

During the very early stages of the operation, other Air National Guard crews flew missions with C-130 aircraft airlifting 553 tons of cargo and 3,107 people, including the very first aeromedical evacuation flight to the U.S. The 172d Military Air Group (MAG) of the Air National Guard flew C-141 missions from its home station in Jackson, Mississippi, transporting 1,733 people and 437 tons of cargo to Panama. The 105th MAG of the Air National Guard (New York) flew 49 C-5 Galaxy missions airlifting 637 personnel and more than 1,000 tons of cargo. Hundreds of additional missions were flown in the later stages of the conflict. Other Air National Guard personnel provided various kinds of support to Active Air Force personnel who were engaged in the operation.

Similar missions were flown by Air Force Reserve personnel. Two AC-130 gunships from the 919th Special Operations Group of the Air Force Reserve were a major contributor to the success of the operation, flying 38 combat sorties, hitting key facilities and providing cover for Army troops held hostage in the Marriott Hotel in Panama City. Associate KC-10 Tanker Units flew 13 missions to refuel aircraft and off loaded 1,169,000 pounds of fuel. Six separate C-5 and C-141 Associate Airlift Units from five states flew 71 missions (852 flying hours), airlifting 3,927 personnel and 1,921 tons of cargo as part of their participation in the initial assault air drop and during follow on airland missions.

In addition to the airlift and gunship crew support, Air Force Reservists provided significant support in aerial refueling, aeromedical evacuation, aerial port, intelligence and base operating support. Reserve crews flew 10 aeromedical evacuation missions. Air Force Reserve aeromed units volunteered 1,000 man-days of effort and some 208 nurses and technicians supported 225 litter patients and 42 ambulatory patients. They staffed medical facilities at Kelly AFB, Texas and the nearby Wilford Hall USAF Medical Center.

When I visited our Reserve forces in Panama in January, I was informed that at certain times during the intense early hours of the assault, aircraft were landing at Howard AB every 15 seconds, on a very crowded airfield, in blackout conditions (because of the danger of mortar rounds from nearby hills). The fact that not a single accident took place despite these conditions and the confusion that inevitably surrounds combat operations, is vivid testimony to the professionalism of the Active Air Force, Air National Guard and Air Force Reserve crews which were involved.

Other National Guardsmen and Reservists were also actively involved in the early stages of the conflict. When the attack began, the 1138th Military Police Company of the Army National Guard (Missouri) was also conducting annual training in Panama. That unit was the only military police unit in Panama specially trained to process POWs and civilian detainees. At 1600 hours of the first day, the unit had constructed a holding facility and was receiving prisoners. Although the unit was scheduled to complete its training and return home on December 21, over one half of its members volunteered to remain in Panama over the holiday period for an additional two weeks.

The augmentation of the Active force staffs during the crisis was another task that National Guardsmen and Reservists performed well. At the request of the U. S. Southern Command (SOUTHCOM), some 61 USAR Individual Mobilization Augmentees (IMAs) volunteered to provide staff and related support to both SOUTHCOM and several of its subordinate commands during the around-the-clock intense operations. The 366th Army Reserve Public Affairs Detachment provided in-depth media coverage for approximately 13 days.

One of the more remarkable stories about Operation JUST CAUSE was the work of the Army Reserve Civil Affairs personnel who very ably demonstrated the often unique skills of the "Citizen-Soldier." Soon after the operation began, warning orders were issued to specific Army Reserve Civil Affairs Units. Army Reservists by the hundreds immediately began calling to volunteer to go to Panama. Shortly after the operation commenced, SOUTHCOM requested that Reservists with specific skills be deployed to Panama to conduct joint civil-military operations and specifically to assist the new Government of Panama in the restoration of essential governmental services, in the assessment of the longer term needs of the country, and in the care of thousands of displaced Panamanian citizens.

The first contingent of Army Reserve Civil Affairs specialists arrived in Panama the day after Christmas, six days after the conflict began. By January 1, a total of 222 Army Reserve Civil Affairs personnel had arrived. Specialists immediately began advising the ministers of the new government on the rebuilding of the governmental infrastructure. Immediate steps were taken to assist the new government in its efforts to build the new Public Forces of Panama (FPP) from the ashes of the PDF, and to change the entire culture and attitude of the former members of the PDF so that the FPP will become a police force dedicated to the protection of the citizens of Panama, rather than a military force which intimidates and abuses. Army Reservists who serve as judges, prosecutors and precinct policemen in their private lives quickly designed a course of instruction for all members of the new FPP. The course included such subjects as "Police Ethics" and "Human Rights," as well as such standard subjects as chain-of-custody procedures for evidence, arrest techniques, etc. The prison next to the Commandancia (the former Headquarters Building of General Manuel Noriega and the PDF) which had been emptied and ransacked after the attack began, was soon functioning again as a result of the advice and active assistance of a Spanish speaking Army Reserve captain who serves in private life as a U.S. Marshal.

A wide variety of other nation-building tasks were also performed by Army Reservists. A clean, organized Refugee Camp for almost 3,000 homeless and displaced persons was immediately established. Agriculture and medical specialists promptly commenced highly visible efforts to rebuild the distribution systems for food and medical supplies (by January 20, 1990, a Civil Affairs unit in Colon had already delivered 60 tons of emergency food supplies to outlying districts cut off by the fighting). Housing, real estate and construction specialists began detailed assessments of the short and long-term housing needs of the citizens of Panama City, Colon, and other areas. Airport management specialists assisted civil airport authorities in the return to normal civil aviation operations. Educational specialists worked to reopen the schools of Panama and to evaluate the long-term educational needs of the country. Public works specialists repaired vehicles and equipment so that the public transportation system could operate. Engineers cleared the streets and attacked sanitation problems. In Colon, a Sergeant in an Army Reserve Civil Affairs unit (who works as a civil engineer in his civilian job) designed a screening device for the intake valves of that city's drainage system, which had been inoperative for several months due to clogged intake valves and fouled turbines. His device worked superbly and will probably save the city from serious flooding during the next rainy season. It has already stopped the flow of raw sewage into the surrounding river system.

During my visit to Panama, I asked General Max Thurman, the Commander-in-Chief of SOUTHCOM, how our Reserve forces were performing. He replied: "The skills that the Reserves bring [to SOUTHCOM] are a godsend." The role which National Guardsmen and Reservists played in Operation JUST CAUSE should not be overstated, but their many contributions were clearly important to the success of the operation. The prompt integration of Active, National Guard and Reserve forces into such a formidable fighting force is eloquent testimony to the capabilities of our Reserve forces generally, to the often unique skills and experience they bring to the Total Force and to the progress which has been made in recent years in implementing the DoD Total Force Policy.

Understanding the Total Force Policy

In recent months, the Total Force Policy has become the subject of great public attention and of a major study by the Department of Defense. On February 2, 1990, the Secretary of Defense and the Chairman of the Joint Chiefs of Staff addressed the first meeting of the Total Force Policy Study Group, a group on which I am privileged to serve as Vice Chairman. I can assure you that the Study Group recognizes fully the great importance of the Total Force Policy Study, especially at a time of dramatic geopolitical change and when we are reducing force structure. A thorough examination of the Policy is welcome. Indeed, it is essential if we are to ensure that fundamental decisions concerning how we man the Armed Forces are sound. Unfortunately, much of the recent public discussion about the Total Force Policy has been uninformed, or at least insufficiently focused.

Part of the confusion is generated by the use of the term "Reserves." While a basic tenet of the Total Force Policy has always been that National Guard and Reserve units constitute the primary augmentation of the Active component in military conflicts, many Guard and Reserve units (with a mix of part-time and full-time personnel) are fully ready and capable of responding rapidly to a mobilization or other orders to active duty. In this sense they are not forces to be held in "reserve," but rather early deploying or "mobilizable" units more typically found in the traditional Continental European conscription-based Reserve system. Other American Guard and Reserve units are more characteristic of traditional (later deploying) Reserve units.

The Total Force Policy was never intended to make Active, career soldiers and Reserve soldiers fungible items or mirror images of each other. Given the limited training time of part-time citizen-soldiers, sailors, airmen and marines, as well as the constrained budgetary environment in which the Department of Defense will operate in the early 1990s, it is unrealistic to attempt to make every Reserve unit the absolute equal in terms of readiness and capability, of the best Active units. Rather, the objective is to integrate the capabilities and strengths of Active and Reserve units in the most cost-effective manner, i.e., one that provides the most total military capability and flexibility possible within the limitations of the budget.

In order to discuss the Total Force Policy in a meaningful way, it is important that broad generalities be avoided. Too many military analysts argue for large changes in the force mix balance for budgetary reasons alone that are unrelated to any apparent manning philosophy or threat evaluation. Others assert that the Total Force idea has already been carried too far. I am skeptical about suggestions of large broad shifts in force mix across all of the Reserve components as an end in itself. I am equally skeptical, however, about (1) simplistic and incorrect approaches to force mix that imply that (all) Reserve units can never be "as good" as Active units merely because the former train less and, (2) similar approaches to reductions in force structure which result in "equal" reductions to Active and Reserve components with no apparent relationship to strategy or to the need for a specific military capability.

A balanced analysis of the Total Force Policy must start with a focus on particular missions. Some missions, which require a high surge of activity in wartime, but comparatively low activity in peacetime, are obviously ideal for Reservists. Others, such as those which require long periods of forward deployment in peacetime, are unsuitable. Yet others, can be reasonably assigned to either Active or Reserve units, depending upon how soon the missions must be performed after a crisis or conflict develops, the demographic profile of particular geographical areas, the particular characteristics of individual units, and many other factors. Some National Guard or Reserve units can assume even greater wartime missions and peacetime operational responsibilities than they have now. Others, clearly cannot. Certain missions which have previously been assigned to Active forces could be transferred to Reserve units, especially if it can be demonstrated that significant cost savings are available with no loss or for a comparatively small loss in capability. Other missions should remain with the Active forces.

Making Reservists Ready to Perform

The readiness of the Reserve components to perform their wartime missions continues to improve. Readiness levels are, of course, directly related to training. During FY 1989, National Guard and Reserve officers trained for their wartime missions an average of 61 days. Reserve enlisted personnel trained an average of 42 days. One must see our citizen-soldiers in training to fully appreciate their capabilities. I have admired their skills while flying with them in the F-15, the TAV-8B, and other aircraft. I have felt their enthusiasm and their energy as I watched them conduct amphibious landings on cold Norwegian beaches, cut roads through the mountains of Honduras, and set up field hospitals in exercises on the plains of Germany. I have been amazed at their dedication and their professionalism as I talked with them on the decks of aircraft carriers, in the desert hills of the National Training Center, near the DMZ in Korea, and in armories and Reserve centers all over the nation. By any reasonable standard, the Reserve forces are in the highest state of readiness that has been attained since the Total Force Policy was adopted. Readiness challenges remain, however, in specific areas.

Deficiencies in the Military Occupational Specialty (MOS) of certain Reservists, i.e., in their individual skill qualification and training, have replaced equipment shortages as the most serious readiness deficiency. Last year, I informed you of the persistent readiness challenges in the Army's combat support and combat service support (CS/CSS) forces. Those problems are Army problems, not Reserve problems, but because approximately 70 percent of the Army's nondivisional CS/CSS forces are in the Army Reserve, I have given them a great deal of personal attention. I have been particularly concerned about the readiness of certain early deploying CS/CSS units.

It is important to remember that in seeking to maintain required standards of readiness, National Guard and Reserve units face problems that are the result of factors which are unique to

Guardsmen and Reservists, e.g., limited training time, the geographic dispersion of individual Reservists, and the fact that Americans generally, including Reservists, are mobile and tend to move from place to place. These and many other kinds of readiness challenges, however, are not related to budgetary constraints. They can be corrected by innovative thinking, good leadership and management, and by a frank recognition of the fact that the high quality of our modern Reserve forces permits (1) the introduction of training techniques, and (2) the achievement of readiness levels that were generally not possible only a few years ago. Several encouraging developments are taking place.

Some of the most encouraging work is the result of the Army's Reserve Component Training Action Plan (RC TDAP). The RC TDAP was prepared subsequent to the completion of an intensive study by the Army of the unique training challenges faced by the Army Reserve. The RC TDAP consists of 38 separate initiatives that are being taken by the Army to remedy these challenges. Emphasis is being placed on educating Reserve leaders (officers, warrant officers, and noncommissioned officers). Resident courses at the Army's Training and Doctrine Command are being reconfigured to meet the training time limitations of Reservists. A special Skill Qualification Test for the Reserve soldier is being developed and expanded use is being made of interactive video techniques and regional training centers.

Other encouraging developments include the recent efforts of the Army to eliminate or at least to reduce the turbulence in the CAPSTONE alignment process, i.e., the process by which Reserve units are assigned wartime missions and deployment schedules. For a variety of reasons, these missions and schedules have been changed far too often in recent years. The resulting turbulence has required the Reserve units involved to engage in continuous retraining with an attendant waste of training time, inefficient use of resources and loss of espirt de corps. The importance of stability in mission assignments is obvious. New unit missions require individual Reservists to obtain new military skills during their limited training time. While some Reservists are engaged in civilian occupations that require the same range of skills that are required to perform their military mission (e.g., aviation and police work), it is possible and desirable to hold most part-time Reservists to the same standard of performance as full-time Active soldiers only if the Reservists are trained on fewer total tasks requiring fewer skills. I have discussed this problem with the senior leadership of the Army on a regular basis and I am happy to report that it is the focus of considerable management attention. The Forces Command, for instance, is working to minimize the number of changes to the deployment schedules.

In considering the readiness of Reserve forces, it is important to recognize that the readiness of certain Reserve units may need to be kept higher than that which can be justified solely on the basis of strategy or threat evaluation. This need is based on intangible elements such as morale and sense of accomplishment which are directly related to decisions by Reservists to leave or remain in the Reserve forces. The training which is required to maintain certain minimum levels of readiness usually provides those necessary intangibles.

The readiness of Reserve units does, of course, depend to a great extent upon the availability of modern equipment. One thing is certain. When Reserve units are assigned significant missions and responsibilities, they must be given the tools to do the job. It is morally indefensible to assign missions to Reserve units in order to achieve cost savings, and then fail to give those units the resources that will permit successful performance. Under the Total Force Policy, the Secretary of each Military Department is responsible for providing the necessary programs and budgetary actions that support the equipping which is necessary to ensure that units meet readiness standards and deployment schedules. Since there are insufficient resources to fully fund all programs, clear priorities must be established.

Prudence and common sense suggest that resources can and should be given first to those units, whether they are Active or Reserve units, that will be deployed first to a conflict. Since 1982, the DoD policy of "First to fight, First to equip" has guided the equipment distribution planning of the Military Departments. The policy requires that all units, regardless of component, be resourced for equipment, according to the sequence in which they are required to be in place to perform their wartime mission. It is important to ensure that when called to active duty, all critical Reserve units are instantly ready to fight. It will not matter at all that the amount of warning time for future conflicts goes up by a factor of five, if we take or permit developments which increase the preparation time in which those Reserve units are ready to fight, by a factor of ten!

As we go about the business of reducing force structure, the implications for the readiness condition of all remaining units, Active and Reserve, must be kept in mind. In this regard, we should guard against the trap of assuming that any reduction in military capability or readiness is unacceptable. Certain types of forces must, of course, be kept at the highest state of readiness. Others need not be. In many cases, a shift of force structure from the Active to the Reserve components would involve no reduction in capability at all. Even when such a reduction would result, it may be acceptable in view of a changed evaluation of threat, the nature of the specific mission involved, and the significant cost savings that would result.

Other Training Initiatives

A program that has proven to be of extreme value to the readiness and training of all of the Reserve components is the Overseas Deployment Training Program. In 1989, some 3,139 separate Reserve units or cells, including 88,500 Reserve personnel, trained overseas in 96 different countries (see Table 1).

TABLE 1

OVERSEAS TRAINING BY COMPONENT
FY 1989

	Cells/Units	Personnel
Army National Guard	560	22,277
Army Reserve	1,341	18,401
Naval Reserve	408	12,495
Marine Corps Reserve	30	1,867
Air National Guard	252	14,815
Air Force Reserve	519	16,441
TOTAL	3,110	88,296

This program provides realistic mobilization and employment training, an opportunity to train under the operational chain of command, and familiarity with possible areas of wartime employment. It offers an excellent opportunity to improve ties between Reserve component units and their affiliated Active component counterparts and it is a terrific morale builder.

It also provides an opportunity for Reserve personnel to fulfill peacetime mission requirements for theater CINCs while conducting training. For example, the Army's rotation of Reserve heavy equipment maintenance companies to the Equipment Maintenance Center (EMC) in Kaiserslautern, Germany to solve theater maintenance backlogs during annual training periods has been highly successful. I was updated on this program during a recent trip to Germany. During the test phase in FY 89, six heavy equipment Reserve maintenance companies contributed 38,888 productive man-hours toward the repair of 3,100 items of equipment. This resulted in Theater labor cost avoidance of $787,000. During FY 90, 12 heavy equipment maintenance companies are scheduled for 3-week deployment training periods at the EMC.

The National Guard's Aviation Classification Repair Activity Depot (AVCRAD) in Brussels, Belgium is also a successful and imaginative use of our Reserve forces in Europe. The AVCRAD provides our Active European forces with a forward deployed, pre-mobilization, depot-level aircraft maintenance capability in peacetime manned by Guardsmen engaged in annual training on a 2-3 week rotation basis. I am very impressed with this modern facility, including the quality of people who have been assigned there and the sophisticated equipment which is in-place. It has proven to be very cost-effective.

The Naval Reserve has developed the Shore Intermediate Maintenance Activity (SIMA) program which provides maintenance support for Naval Reserve Force (NRF) ships. The SIMAs perform intermediate as well as organizational level maintenance while providing meaningful assignments ashore to support sea/shore rotations and to retain the skilled petty officers necessary to man the fleet. SIMAs would augment destroyer tenders and repair ships for forward battle damage repair. Selected reservists are trained to back-fill the SIMAs upon mobilization.

Progress also continues on an initiative which started in FY 1986--the Army's Regional Training Sites-Maintenance. These sites provide needed training for Reserve component nondivisional maintenance units. Of the planned 21 sites, 12 have been activated and are proving valuable in overcoming transition and sustainment maintenance training shortfalls. The regional training site concept is also being extended for medical personnel. Two of seven medical training sites have been completed (Camp Shelby, Mississippi and Ft. Indiantown Gap, Pennsylvania). The Air Force Reserve and Air National Guard are developing similar Regional Training Centers which will provide state-of-the-art simulator training for aircrews. Crews will travel to the appropriate center to accomplish requirements in courses tailored to Air Reserve component crew member availability and experience.

We are also giving considerable attention to the modularization of formal school courses so that they will be better suited to the availability of Reservists. Many of the Services' school requirements for initial skill qualification, retraining or skill enhancement are longer than the training time available to Reservists. Each Service has initiated programs to reconfigure these courses into modules that can be taken in a combination of weekend and annual training periods to accommodate Reservists.

One of my deputies chairs an OSD Training and Training Technology Subcommittee, with membership from each Service, the JCS, each Reserve component, and selected OSD staff agencies. This Subcommittee searches for innovative ways to apply technology to unique Reserve component training challenges. During the past year, the Subcommittee initiated an effort to find ways to contract for the training of Reservists at their home station. We are about to finalize a new DoD Directive entitled, Contracted Civilian Acquired Training (CCAT) for Reserve Components. The purpose of CCAT is to increase the number of mission-qualified individuals in Reserve component units. CCAT is an alternative to formal military school training and must be directly related to specific individual military job requirements and billet assignments. A pilot program is underway with the Florida Army National Guard, with management data being gathered by the Training Performance and Data Center (TPDC) in Orlando, Florida. I believe this effort has considerable potential for providing quality training at the home station, rather than requiring individual Reservists to leave their families and employers for long periods of schooling.

Research efforts are also being focused on information systems that provide a capability to analyze and correct training deficiencies. These systems are being developed by the Defense Training and Performance Data Center. One such effort is a microcomputer based system that permits us to analyze training requirements from a geographic prospective, an important factor in view of the geographical dispersion of Reservists. Another recent initiative of my office which has received the support of the Chiefs of the Reserve components, is the Reserve Component

Nested Model. This is essentially an expansion of the microcomputer system concept to a mainframe system that permits the assessment of training needs and options at all levels of command, from the Reserve unit to the Service Chief.

Limiting Reserve Forces to a Reinforcing Role

As the Armed Forces adjust to current geopolitical and budgetary realities, a view has gained currency in some quarters that Reserve forces should be refocused and limited to a "reinforcing" and "sustaining" role. According to this view, National Guard and Reserve units would serve only to supplement Active forces during protracted contingencies or a general mobilization—and subsequent to some initial period of conflict. Presumably, this concept would require Reserve units to be assigned late deployment responsibilities. It assumes the need to place all rapidly deployable "contingency" forces in the Active component. Like other policy proposals, it is neither as simple nor as attractive as it may seem at first blush.

First of all, it is contrary to the current policy of the Department of Defense which is to maintain as small an Active peacetime force as national security policy, military strategy, and overseas commitments permit. This policy was not accidentally or randomly adopted. It was adopted as a cost-effective way to meet increasing world-wide contingencies. It has been the consistent policy of the DoD to place maximum reliance on National Guard and Reserve units and manpower. We use Active units and manpower to support scheduled overseas deployments or sea duty, training requirements, and to support the rotation base. Above that level, we plan to support military contingencies with Guard and Reserve units and manpower when they can be available and ready within planned deployment schedules on a cost effective basis.

Second, the "reinforcing role" concept ignores the obvious opportunities for the use of the most highly qualified Reserve force in the peacetime history of the Nation. A combination in recent years of modern equipment, the assumption of major wartime missions and peacetime operational responsibilities, challenging/realistic training and other factors has produced a largely unanticipated synergistic effect -- the attraction into the Reserve forces of highly motivated, highly skilled people who are anxious to perform early deploying missions that would have been unthinkable for Reserve forces only a few years ago. The Nation has invested a great deal in the creation of this Reserve force. It should not be unthinkingly dismembered or relegated to a secondary role that will be unattractive to volunteer Reservists who have no obligation to serve at all. It should never be forgotten that with an All Volunteer Force, it is much easier to rebuild Active units with full-time personnel than Reserve units with part-time personnel.

Finally, the "reinforcing role" concept incorrectly assumes that force packages designed for "contingency" missions cannot include Reservists because such inclusion would inevitably result in unacceptable delays for retraining or "mobilization." Unless a particular conflict is considerably larger than what can fairly be characterized as a "contingency," it will not require "mobilization" in the sense of a massive recall of Reservists. The law (Title 10, U.S. Code, Section 673b) currently permits the President to make a limited, fast, selected recall to active duty of Selected Reserve units or individual mobilization augmentees. Thus, the President may order to active duty anywhere between one and 200,000 members of the Selected Reserve -- without mobilization -- whenever he determines that it is necessary to "augment the [A]ctive forces for any operational mission." The Reservists involved can be retained on active duty for as long as 180 days. Since Selected Reservists are highly trained volunteers to begin with, any assumption that they are not available for rapid deployment is probably suspect.

Developing Neutral Principles for Force Mix Decisions

In making choices about whether to assign certain wartime missions or peacetime operating responsibilities to Active or to Reserve units, it is easy to overlook certain limiting factors, e.g., the fact that the amount of training time required to perform some missions creates unacceptable pressures in their civilian work places for participating Reservists. Enhancing factors can also be insufficiently taken into account. Because of experience gained during their previous full-time service on active duty, for example, many National Guardsmen and Reservists have capabilities that equal or exceed those of Active soldiers who are currently serving on active duty. It is widely recognized, for example, that many Reservists and National Guardsmen are among the best fighter, attack, and transport pilots in the world. Many planners also forget or have never fully understood just how much the quality of the Reserve components has improved in recent years.

On the assumption that the purpose of maintaining military forces is to deter war, and that combat units have greater deterrence than support units, some military leaders are of the opinion that when resources are limited, combat units should receive available resources at the expense of support units. Other leaders argue that a more credible deterrence is achieved when potential adversaries recognize that the United States is capable of engaging in conventional combat operations over a period of time, i.e., that we have a strong balance between purely combat forces and the support forces that are necessary to sustain them. Logically, of course, there should be no difference between the types of forces needed to deter conflicts and the forces needed to win them. A potential adversary's perception of his chances of succeeding in a conflict is usually related directly to his ardor to begin it. Moreover, a reasonable question can be asked as to whether we can afford two types of forces, one devoted to deterring war and one to winning it.

I have long been of the view that as a general proposition Active and Reserve forces should be balanced, i.e., that each should contain an appropriate mix of combat and support elements. A corollary of this approach is that neither Active nor Reserve forces should be unique in the absence of a specific military need that can or must be met by uniqueness. The costs of such uniqueness can be unacceptably high. If a Reserve component, for example, is given a mission or equipment not found in the Active component, there may be no pipeline from which the Reserve component may receive personnel trained to perform, or spare parts for the equipment needed for the mission. Certain missions, however, may call for uniqueness. The Army Reserve Civil Affairs personnel who have served in Panama since the commencement of Operation JUST CAUSE, for example, have brought to their nation-building task an array of civilian skills that simply cannot be found or maintained in Active units.

As we reduce force structure, it is important that budget cuts proposed by the Services not have disproportionate and adverse impacts on National Guard or Reserve units unless there are sound reasons for such impacts. Indeed, even equal cuts of Active and Reserve forces are not per se and inevitably wise. Too many analysts are of the view that since Active and Reserve forces grew together during the decade of the 1980's, they must now suffer force structure reductions at the same rate. Approximately equal force structure reductions of Active and Guard/Reserve forces may be justifiable in certain instances on the ground that when a particular combat unit is reduced, its support units should receive a similar cut, but equal cuts should not be automatic. Such a philosophy suggests an approach to cutting force structure that bears no apparent relationship to a sound strategy or plan and no recognition of the relative cost of Active and Reserve units. It may also exacerbate any existing structure imbalance between combat and support units. In the

December 7, 1989 edition of the Washington Post, former Chairman of the Joint Chiefs of Staff, Admiral Bill Crowe, made the point that:

> The usual device for keeping political pressure manageable has been to cut all organizations and weapons procurements equally, while eliminating none of them.
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> * * *
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> Forces and services that are cut must be related to more than just budgets. As the size of our active forces goes down, increasing attention should be given to our reserve units and the mobilization system.

Much of the ongoing debate about whether Reserve forces should constitute a relatively higher percentage of the Total Force in the future, relates to the relative cost of assigning a particular mission to a National Guard or Reserve unit rather than to an Active unit. Since Reserve units are not fungible items, costs vary. In some cases, the costs incurred by a Reserve unit in training for and performing a particular mission are as great or almost as great as those incurred by Active units which perform the same type of mission. In other cases, National Guard or Reserve units are much less expensive.

Whether a particular Reserve unit is one third or two thirds as costly as an Active unit, the fact remains that Reserve forces are usually less costly over a period of time than Active forces. In addition to the fact that they train an average of only 39-50 days per year, citizen-soldiers sleep and eat at home and the infrastructure which is required for them is less. Consequently, I believe that for cost reasons alone, a rebuttable presumption should exist that missions should be considered for assignment to the Reserve forces unless there are sound and apparent military reasons for assigning the missions to the Active forces. If the presumption can't be easily rebutted, then a particular mission would seem to be a prime candidate for assignment to the Reserve forces.

We should avoid wholesale shifts of force structure to the Reserve components merely because they are generally less expensive. Any force structure/force-mix decision that is driven solely by budget imperatives should be closely examined. However, the converse is also true. Broad conclusions that Reserve forces provide unacceptable levels of military capability must also be rejected. Force mix decisions must be made on a mission-by-mission, unit-by-unit, case-by-case basis.

As we reduce force structure and develop the appropriate mix of Active and Reserve forces, it is important that we preserve as much of our human capital as is possible. Innovative approaches will be necessary to ensure that as highly trained individuals (especially leaders) leave the Active forces, they are encouraged to continue their service in Reserve units. New ideas such as the "Double Roundout" concept (in which an Active division of ground troops would have two National Guard/Reserve brigades and one Active brigade, instead of the other way around) will also need to be energetically explored.

Despite unreasonably high expectations to the contrary in some quarters, the Total Force Policy Study Group will not be able to answer all force structure/force mix questions which merit attention. The world geopolitical situation is simply too fluid and dynamic for that. I am very hopeful, however, that the Study Group will be able to develop certain "neutral" principles that may eventually take the form of policy guidance by the Secretary of Defense to the Services. Those principles might include ideas similar to the following and/or other ideas:

1. Like the Active forces, Reserve forces are not immune from structure cuts, but Service force mix proposals should be based on a military rationale other than "equal" cuts of Active and Reserve forces for the sake of equality;

2. The rationale relied upon by the Services in each case and for each mission should be credible and easily understood in order to receive as wide acceptance as possible;

3. Force mix proposals should be regularly made and analyzed on a mission-by-mission, unit-by-unit (capability) basis which is clearly related to the war plans;

4. If significant cost savings can be achieved by a transfer of force structure to a Reserve component (for the performance of a particular mission), a working presumption should be established that the transfer should be made. The presumption can then be rebutted by the demonstration of a sound military reason why the transfer should not be made (e.g., the mission requires a forward deployed unit over a period of time);

5. A similar rebuttable presumption should be made that when an Active or a Reserve unit is withdrawn from the force structure, a certain part of the cost savings will be dedicated to the strengthening of the remaining force structure before the savings are applied to other needs;

6. All units, Active or Reserve, should be resourced (for equipment, training, and other purposes) according to the sequence in which they would be required to perform their wartime or other operational missions; and

7. A rebuttable presumption should be established against force mix decisions that result in placing a particular mission exclusively in a Reserve component. The presumption can be rebutted by the demonstration of a sound military reason why the principle should not apply in a particular case.

The Manpower of the Selected Reserve

It is clear that we must continue to anchor our global military strategy to the fundamentally sound doctrines of deterrence, flexible response, forward defense, security alliances and prudent arms reductions. The challenging issue is the question of what kind of forces are needed to carry out the strategy. In addressing that issue during the preparation of our FY 1991 budget request, we established certain budgetary priorities, including the retention of (1) versatile, ready, deployable and sustainable conventional forces, and (2) substantial Reserve forces -- including essential logistics, infrastructure, and planning bases.

The end-year strength for the Selected Reserve which has been requested in the President's Budget for FY 1991 is 1,151,600, a modest reduction of 3,400 from FY 1990. The strength at the end of FY 1990 will be 15,600 below FY 1989. The lower strength is due to a FY 1990 reduction of 9,700 by the Army National Guard and a 10,000 reduction in the Army Reserve. An additional decrease of 3,700 in the FY 1991 program is almost entirely attributable to the reduction in the Naval Reserve. By comparison, by the end of FY 1991, the Active force end strength will decline to 2,038,800, some 91,400 less than the FY 1989 level and roughly equal to 1980 end strength. The decrease in the end strength of the overall Selected Reserve represents the first decrease in over a decade, and is in marked contrast to the nearly 35 percent growth of the Selected Reserve between FY 1980 and FY 1989. During that period, Selected Reserve manpower increased by more than 300,000 (from 868,617 to 1,170,560).

The Selected Reserve strength reductions included in the FY 1991 budget for the Reserve components of the Army were based primarily on fiscal considerations (i.e., to achieve compliance with the 1990 Budget Resolution and the partial sequestration) and were not premised on force structure reductions or realignments. Within the overall reduction in Selected Reserve strengths, however, the Army National Guard, in an effort to improve readiness, has increased its full-time Active Guard and Reserve strengths. The Selected Reserve strength request for the Naval Reserve in FY 1991 provides for an increase associated with additional ships being transferred to the Reserve and an increase in the Reserve medical program, offset by manpower economies in areas that are now considered excess to need. There are only minor changes in strength levels in the Marine Corps Reserve and the Reserve components of the Air Force.

Despite the FY 1990 and FY 1991 reductions, the Selected Reserve will continue to constitute 1.2 million of the 3.2 million member Total Force. The expanded scope, size, and nature of the missions assigned to the Reserve components under the Total Force Policy, require that units of the Selected Reserve, especially early deploying units, be manned at combat-ready levels.

TABLE 2

Selected Reserve Manpower
(End Strength in Thousands)

	Actual FY 1989	Estimated FY 1990	Projected FY 1991
Army National Guard	457.0	447.3	447.3
Army Reserve	319.2	309.2	309.2
Naval Reserve	151.5	153.4	149.7
Marine Corps Reserve	43.6	44.0	43.9
Air National Guard	116.1	116.2	116.3
Air Force Reserve	83.2	84.9	85.2
DoD Total	1,170.6	1,155.0	1,151.6
Coast Guard Reserve	12.0	12.1	12.8

End strength reductions in the Army Reserve (10,044) and the Army National Guard (9,660) since FY 1989 are offset by the combined increase of 4,700 authorizations for the other four Reserve components. The Army Reserve decrease is based on fiscal constraints, while the Army National Guard decrease was required to pay for the needed additional full-time personnel.

In FY 1991 general purpose forces will thus include 30 divisions. The Army will decline to 16 Active divisions (about half with Reserve roundout brigades) and 10 Reserve divisions; the Marine Corps will have three Active divisions/wings and one Reserve wing. Naval aviation will include 13 Active and two Reserve carrier air wings.

Strength adjustments after FY 1991 will be dependent in important part on principles being developed by the Total Force Policy Study Group and the allocation of missions among all of the uniformed components of the Total Force.

Recruiting for the Selected Reserve

During Fiscal Year 1989 enlistments were reduced by 6,700 personnel (3 percent). The decrease was the result of a reduction in the Services' recruiting objectives due to the successful buildup of the Selected Reserve during the decade of the 1980's and the higher retention of career enlisted personnel.

Demographic projections for the 1990s suggest a declining population of young, qualified candidates for military service. Improved training opportunities, incentive programs and entitlements, such as the Montgomery GI Bill, will be important to the success of Reserve manpower programs. Prior-service enlistments exceeded non-prior service enlistments by more than 29,800 during Fiscal Year 1989, constituting 57 percent of total enlistments.

Table 3 summarizes Selected Reserve enlisted recruiting.

TABLE 3

DoD Selected Reserve
Enlisted Accessions Summary
(Members in 000s)

CATEGORY	FY 1980	FY 1985	FY 1989
Army National Guard	97.1	83.0	71.1
Army Reserve	59.4	78.9	75.4
Naval Reserve	28.1	33.1	30.2
Marine Corps Reserve	9.3	9.7	12.0
Air National Guard	16.0	14.9	11.6
Air Force Reserve	12.1	13.2	11.6
TOTALS	222.1	232.8	211.9

The quality of enlisted Reserve personnel remains high. In 1989 more than 91.2 percent of non-prior service enlistees had a high school education or equivalent, and more than 92.9 percent tested in categories I-III on the Armed Forces Qualification Test. The overall improvement in the quality of nonprior service recruits since 1980 is substantial, as shown in Table 4.

TABLE 4

Selected Reserve Enlistments (DoD)
Quality Indicators

	High School Graduates*	Grads.as % of Tot. Enlist.	Number of AFQT I-III**	AFQT I-III as % Tot. Enlist.
FY 1980	61,300	65.5%	68,300	72.9%
FY 1989	80,052	91.2%	81,517	92.9%

*Includes equivalency certificate and diploma graduates as well as high school students who enlisted prior to their graduation and were expected to graduate.

**AFQT Categories I-III include enlistees who score average or above on the enlistment test.

The continued success of Reserve accession programs in terms of numbers and quality is due to a combination of factors including recruiting resources and the Montgomery GI Bill. The combination of targeted bonuses, educational assistance programs, and challenging occupational opportunities continues to attract high caliber individuals. Funds to support recruiting advertising, recruiting and retention incentives will be important to maintain the present level improvements in manpower quality.

The Department has devoted considerable resources to the promotion of the Montgomery GI Bill. The Joint Recruiting Advertising Program (JRAP) budget for Fiscal Year 1989 was approximately $26.3 million, of which approximately $19.4 million was for television spots and collateral materials including coverage for the Montgomery GI Bill. The media experts estimate these television spots will reach 93 percent of American households having television sets. The JRAP also funds a monthly mailing to between 120,000 and 140,000 young men recently registered with the Selective Service, explaining educational opportunities of the Active forces, the Reserve forces, and the Montgomery GI Bill. Also included in the JRAP budget is about $1 million for _Futures_ magazine, sent to most high school seniors, and featuring advertising from the Armed Services. Table 5 identifies Recruiting Resources by Reserve component for Fiscal Years 1989 through 1991.

TABLE 5

Recruiting Resources by Reserve Component
(Current $ in Millions)

Component	Actual FY 1989	Programmed FY 1990	Budget FY 1991
Army National Guard	261.3	261.6	267.4
Army Reserve	182.2	195.5	205.6
Naval Reserve	87.5	98.6	99.3
Marine Corps Reserve	51.9	52.9	53.5
Air National Guard	45.6	49.6	52.2
Air Force Reserve	33.1	39.1	39.0
Joint Adv.	2.1	2.1	2.1
TOTALS	663.7	699.4	719.1

*Numbers may not total due to rounding.

Entitlement to educational assistance under the Montgomery GI Bill requires an obligated term of service of at least six years in the Selected Reserve. One measure of the value of this legislation with respect to Selected Reserve manpower is its effect on the number of six-year enlistments. Since the inception of the program, accessions committing to six-year or greater terms of service have steadily increased. The proportion of new accessions electing six-year terms has increased from 39 percent of all nonprior Selected Reserve accessions in Fiscal Year 1985, to 67 percent of all accessions in Fiscal Year 1989. While not all of this increase can be attributable to the Montgomery GI Bill, since enlistment bonuses and general economic conditions also play a role, there is no doubt that the bill is a significant factor. At the end of FY 1989, 39 percent of all members eligible for educational assistance had actually applied for benefits. This is up from 35 percent at the end of FY 1988.

Because of the complexity of program administration associated with the provision of educational assistance to Reservists in the seven National Guard and Reserve components (including the Coast Guard Reserve), continued emphasis has been placed on improvements to administrative procedures and automated systems. System enhancements put in place in FY 1988 were refined during FY 1989. These enhancements include redesign of the Montgomery

GI Bill data file, increased data storage space, improved response time, and the capture of historic service data for Selected Reserve members whose eligibility for educational assistance is based upon prior active duty service.

Table 6 provides data for a comparison of program eligibles and participants for Fiscal Years 1988 and 1989. The percentage of eligibles actually applying for educational assistance increased in all components during the past year.

TABLE 6

Montgomery GI Bill-Selected Reserve
Percentage of Applicants to Eligibles
As of September 30, 1989

Reserve Component	Eligibles	Applicants	Percentage of Participation	
			FY 89	FY 88
Total Selected Reserve	395,326	156,896	39.7	35.4
Army National Guard	179,001	61,722	34.5	31.0
Army Reserve	72,023	38,152	53.0	47.1
Naval Reserve	37,786	16,332	43.2	38.8
Marine Corps Reserve	19,284	10,645	55.2	46.7
Air National Guard	48,707	18,513	38.0	32.3
Air Force Reserve	34,484	10,282	29.8	26.5
Coast Guard Reserve	4,041	1,250	30.9*	64.2

*The Coast Guard change was due to a data correction for Fiscal Year 1989, of the number of Eligibles which are not included in the Fiscal Year 1988 total.

The Montgomery GI Bill has proven to be particularly attractive to young high school graduates interested in pursuing their education beyond high school. Eighty nine percent of the enlisted participants in the program are under age 30, while only sixty-five percent of all enlisted members are under age 30. Fifty percent of the participants are under age 22. With eighty-four percent of current participants attending school either full-time or three-quarter time, the Montgomery GI Bill seems clearly to be reaching its intended audience. Table 7 identifies the benefit level of participants by Reserve component.

TABLE 7

Montgomery GI Bill - Selected Reserve Participation
College or University Enrollment by Component

Reserve Component	Full-Time	3/4 Time	1/2 Time	Percentage of Full or 3/4
Army National Guard	32,467	5,116	5,419	87.4
Army Reserve	18,420	3,200	3,434	86.3
Naval Reserve	7,520	1,608	2,014	81.9
Marine Corps Reserve	6,125	1,084	847	89.5
Air National Guard	8,905	1,936	3,290	76.7
Air Force Reserve	3,811	1,256	2,069	71.0
TOTALS*	77,262	14,204	17,078	84.3

*Participants who received benefits while attending on a less than half time basis are not shown. Eligibility for less than half-time study began in November 1988. The Coast Guard Reserve is not included due to the extent of missing data on level of participants.

Annual costs of the program from Fiscal Year 1985 through the budget year Fiscal Year 1991, are portrayed below in Table 8.

TABLE 8

Montgomery GI Bill-Selected Reserve
Annual Obligations
(Current $ in Thousands)

FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991
19,862	118,965	160,417	107,500	81,600	75,200	74,800

In July 1989, the DoD Education Benefits Board of Actuaries reevaluated the per capita normal costs charged to the Services. Based upon revised participation rates, the estimated obligations to the Education Benefits Fund were reduced.

The Montgomery GI Bill for the Selected Reserve is unique for two reasons. First, it provides benefits to participants before their required service is completed so long as they have completed initial training. Second, the program is available to all Reservists who agree to serve for six years, not just to new entrants. Administration of the program is shared by the Department of Defense and the Department of Veterans Affairs. The Defense Manpower Data Center (DMDC) acts as the central clearing house between DoD and DVA for Service reports of eligibility.

This information is passed weekly to the DVA which makes it available to their regional offices. Benefit payments are processed by the DVA in much the same manner as any other entitlement program. The challenge of operating and maintaining a functional educational benefits administration system encompassing the reserve units, DMDC, and the DVA is being met and managed with fewer problems each year as experience increases.

Full-Time Support Personnel

The full-time support program continues to be important to the readiness of the Reserve components. The categories of personnel who provide full-time support are Active Guard and Reserve, Military Technicians, Active component members, and civil service personnel. They organize, train, recruit, and administer the Reserve component forces, as well as maintain equipment and perform other logistical activities. About 12 percent of the total Selected Reserve was serving in Active Guard and Reserve or Military Technician status at the end of FY 80. The total strength for full-time support personnel at end of FY 89 was approximately 15 percent of the Selected Reserve, with over 78 percent of those full-time personnel working in direct support of part-time unit activities.

The availability of sufficient full-time support has long been associated with the ability to achieve and maintain Reserve component readiness. Since 1985, the Reserve component full-time support force has grown by over 20,000 and there appears to be a significant correlation between this growth and the improved readiness of particular National Guard and Reserve units. Since the training time of the part-time Reserve members is limited, sufficient numbers of qualified full-time personnel are essential to ensure that training time is used effectively and that the sophisticated equipment in today's Reserve units is properly maintained.

Reserve unit full-time support requirements must be developed on a mission-by-mission and case-by-case basis with the specific unit mission in mind. The full-time support personnel mix must be cost effective, achievable, and appropriate for mission requirements. The management structure and guidance must be continually reviewed to ensure most cost effective full-time support force is maintained.

The goal of the Department of Defense is to maintain an adequate level of full-time support commensurate with readiness requirements and program affordability. As resources diminish, so must our management of this critical program intensify. At this time, most full-time support program changes are related to new force structure or new missions. While the resources requested do not completely close the gap with total requirements, they do represent a prudent level of full-time support consistent with current Reserve unit missions and responsibilities.

We have just completed an analysis of the Department's full-time support program as directed by the Senate Armed Services Committee. The report on the analysis examines in detail the structure, history, and management of the full-time support programs of the National Guard and Reserve components. The report introduces a new display format for full-time support manpower which will be included in the detailed National Guard and Reserve budget justification books which accompany the President's Budget. It also describes the DoD methods for assigning priorities to full-time support needs.

The Department is developing more detailed guidance for the Services on requirement determinations and full-time support force mix. A study is currently underway of the analytical approaches used by the Services to make full-time support resourcing decisions. The results of this review will help the DoD improve its guidance to the Services. I consider this effort very important to future program management, particularly in these times of force structure scrutiny at all levels.

TABLE 9

Full-Time Support (End Strength)
Active Guard and Reserve (AGR)

	FY 1989 Actual	FY 1990 Estimate	FY 1991 Request
Army National Guard	25,893	26,199	26,199
Army Reserve	13,344	13,344	13,344
Naval Reserve	21,987	22,708	22,997
Marine Corps Reserve	1,948	2,301	2,401
Air National Guard	8,019	8,517	8,468
Air Force Reserve	635	686	655
TOTAL	71,826	73,755	74,064

TABLE 10

Full-Time Support (End Strength)
Active Component

	FY 1989 Actual	FY 1990 Estimate	FY 1991 Request
Army National Guard	576	576	576
Army Reserve	1,163	1,163	1,163
Naval Reserve	6,969	7,471	7,435
Marine Corps Reserve	5,035	4,999	4,971
Air National Guard	600	599	600
Air Force Reserve	536	592	603
TOTAL	14,879	15,400	15,348

TABLE 11

Full-Time Support (End Strength)
Civilians

	FY 1989 Actual	FY 1990 Estimate	FY 1991 Request
Army National Guard*	3,087	2,606	2,606
Army Reserve	5,613	5,473	5,496
Naval Reserve	3,002	2,950	2,879
Marine Corps Reserve	333	352	352
Air National Guard*	2,511	2,541	2,571
Air Force Reserve	4,857	4,547	4,320
TOTAL	19,403	18,469	17,224

*Includes Title 5 and Title 32 civilian employees

TABLE 12

Full-Time Support (End Strength)
Technicians

	FY 1989 Actual	FY 1990 Estimate	FY 1991 Request
Army National Guard*	25,923	26,257	26,447
Army Reserve	7,613	7,629	7,352
Air National Guard*	23,140	23,760	23,399
Air Force Reserve	9,299	10,050	10,037
TOTAL	65,975	67,696	67,235

* Only includes dual-status military technicians

The Individual Ready Reserve

The Individual Ready Reserve (IRR) is the principal source of trained individuals to fill wartime manpower shortages in Active and Reserve units. The IRR would be used to fill shortages in existing units, as well as to replace combat casualties during the early period of a full mobilization.

In Fiscal Year 1987, my office initiated a requirement for eligible IRR personnel to report at least one day during the year to permit evaluation of skill proficiency, upgrade of personnel records, and to confirm mobilization availability. The screening program has now been enhanced by a recent change to Title 10 U.S. Code to establish a new form of duty called "muster duty," designed for certifying IRR mobilization availability. The change also sets up a new pay structure for this type of duty which hopefully will be more expedient and cheaper for the Department, and more equitable for the individual IRR member. Table 13 illustrates the IRR muster screening results for FY 1989.

TABLE 13

IRR Muster Screening Results*

	Subject to Screen	Numbers Screened	% Screened to Those Subject To Screening
ARMY	99,353	61,101	61.5%
NAVY	38,485	28,013	72.8%
AIR FORCE**	3,990	3,285	82.3%
MARINE CORPS	17,892	16,577	92.6%

*In addition, the Services conduct screenings by mail of IRR members who are not available for the active duty screening.

**Air Force Reserve was authorized to conduct one-time limited screenings of longer duration.

To remind each member of the IRR of his or her legal obligation to maintain mobilization availability, the IRR reporting requirement (muster screening program) also provides other benefits. The Department is able to maintain current address data to ensure expeditious mobilization. Muster also provides encouragement for IRR members to upgrade their status and join a Selected Reserve unit. Over 10,000 IRR members per year indicate during the screening a desire to affiliate with a local unit.

As in previous years, the FY 1989 screening highlighted the problems associated with an Army IRR retention policy established following Congressional direction in the 1979 Defense Authorization Act. The Act directed the Secretary of the Army to retain many individuals in the IRR who normally would have been discharged. The intent was to help overcome serious Army IRR manpower shortages that existed then. In conjunction with the Department of the Army, we are now reexamining that policy.

Table 14 reflects the Individual Ready Reserve strength profile by Reserve component.

TABLE 14

IRR Strength

	FY 1989 Actual	FY 1990 Estimate	FY 1991 Projected
Army National Guard (ING)	10,126	10,507	10,507
Army Reserve	274,588	329,476	431,965
Naval Reserve	86,556	113,600	135,000
Marine Corps Reserve	36,552	48,000	74,000
Air Force Reserve	53,117	46,515	46,500
TOTALS	460,939	548,098	697,972

The Reserve Officer Personnel Management Act

The Department of Defense submitted a major legislative proposal to revise the laws governing Reserve officer appointments, promotions, separations, and transfers to the Retired Reserve in each of the 99th, 100th, and 101st Congresses. The Reserve Officer Personnel Management Act (ROPMA) proposal has been developed to closely parallel the provisions of the Defense Officer Personnel Management Act (DOPMA) which was enacted in 1980 to improve the management of Active force officers. A hearing on ROPMA was held by the Subcommittee on Military Personnel and Compensation of the House Armed Services Committee near the end of the 100th Congress. The legislation was revised in technical detail and introduced in the 101st Congress as H.R. 2200. This version is still awaiting consideration. This important legislative proposal remains a key concern of the Department and I hope that hearings will resume in the near future.

The legislation would provide a uniform and improved officer personnel management system for Reserve officers. It would help ensure equitable, cost-effective management of Reserve officers and improved contribution to the readiness of the Reserve forces. The provisions of ROPMA are particularly important with respect to improved and more uniform management for officers serving in the health professions. It would stimulate long-range planning which is necessary to provide Reserve officers with attractive and meaningful careers.

It is self-evident that we need to attract and retain officers in the Reserve of the proper age and grade, who possess the skills and experience needed by today's Reserve components. ROPMA is the means to that end since it would provide the personnel management flexibility to react to changing roles, missions, and force structure. I strongly urge you to act on this important management proposal as quickly as possible.

Legislative Initiatives from the Sixth Quadrennial Review of Military Compensation

President Reagan directed that the Sixth Quadrennial Review of Military Compensation (QRMC) conduct a comprehensive review of compensation for members of the Reserve components in light of their increasing importance within the Total Force. The QRMC report contained seventy-six recommendations on pay, incentives, allowances, tax, employment, mobilization, disability, full-time support, retirement, and medical personnel issues. The report was forwarded to Congress by the Secretary of Defense on July 12, 1989. Many of the proposals of the Sixth Quadrennial Review of Military Compensation were part of the President's legislation request to the 101st Congress. Approximately 20 of the QRMC recommendations requiring legislation have been enacted. The DoD recommendations still requiring legislation are currently being coordinated within the Administration.

Equal Opportunity for Reservists

The Reserve components have been full partners in the DoD Equal Opportunity initiatives. Representatives of my office actively participate in the Defense Equal Opportunity Council as well as on the working groups and subcommittees within the Council and the Defense Advisory Committee on Women in the Services. The recently published DoD Instruction establishing new Affirmative Action planning and reporting requirements requires Reserve components to track the same data as the Active components. My staff participates in the analysis of the affirmative action plan goals and achievements of all components, both Active and Reserve.

The overall racial and ethnic composition of the Reserves generally parallels that of the Active Forces, although there are many regional differences, particularly in the Army Guard, based upon the available manpower pool in specific geographic locations.

The percentage of women in the Selected Reserve has increased for nine consecutive years. At the end of FY 1989 it was 12.5 percent. Barely a decade ago women comprised less than 5 percent of the National Guard and Reserve, serving in traditional functional areas such as administration, personnel, and medicine. They now serve in all military specialties, except those prohibited by legislation and associated Service policies. Women now also serve in many career fields which historically have been staffed exclusively by men (e.g., operations, intelligence, and maintenance). The senior leadership of the National Guard and Reserve is ensuring that career and leadership opportunities are afforded to women within their respective components. For example, the first woman general in the Army Reserve was appointed last summer. National Guard and Reserve women now comprise 37 percent of the total women who serve in the Armed Forces.

Representatives from my office, working on other Equal Opportunity objectives within the framework of the Defense Equal Opportunity Council and the Defense Advisory Committee on Women will continue to ensure that the Reserve components remain full participating partners in the ongoing efforts to ensure equal opportunity for Reservists.

Department of Defense National Guard/ Reserve Family Member Identification Card

The DoD Guard/Reserve Family Member Identification Cards are currently being produced at the Service level. Distribution will begin as soon as the implementing directive DoDI 1000.13 is published. The new ID cards will replace current Service-specific Reserve Dependent ID Cards on a phased-in basis.

The DoD Family Member ID Card will provide an improved means of ensuring that only bonafide dependents of Reservists have access to commissary, exchange, and/or MWR privileges. The identification card will also enhance the security on military installations by providing verification of an individual's relationship to a Reserve sponsor. I anticipate that by 1994, the only acceptable identification for a National Guard or Reserve dependent will be either the active duty dependent ID card or the DoD Guard/Reserve Family Member ID Card.

I am also pleased to report that the Armed Forces Commissary Privilege Card has been fully fielded to all eligible members of the Selected Reserve. Although the card will be issued mainly in the sponsor's name from a central source within each Service and on an annual basis, units may request the issuance of a card at anytime during the year.

The Employer Support Program

Employment pressures on National Guardsmen and Reservists continue. No other nation in the world requires as much training time for its Reservists as does ours. As Guardsmen and Reservists assume a greater share of the national defense mission, the periods of absence from the civilian work place increase and create additional employment pressures. During the current year, approximately one-third of the National Guardsmen and Reservists who leave the Selected Reserve before completing their first five years of Reserve service will likely do so, in part, because of employment pressures. The substantial costs of training replacements and the impact on readiness make it essential that we work to relieve those pressures. Several programs to address these challenges are underway.

The National Committee for Employer Support of the Guard and Reserve (NCESGR) is a grass roots organization of over 5,000 volunteers which continues to obtain the support of business and corporate leaders for members of the Reserve components. NCESGR is currently implementing a new program which we refer to as "Mission One." The purpose of "Mission One" is to identify a trained volunteer for each of the over 6,000 Guard and Reserve training sites across the United States. These volunteers are knowledgeable in employer/Reservists rights and act as advisors to the uniformed members and employers. Eleven states have already implemented the program, and all others are in the process of recruiting and training additional volunteers.

Other NCESGR programs also continue to be important. Through the utilization of scheduled aircraft training missions, some 3,400 employers were transported this past year on 89 "Bosslifts" to observe actual field training of National Guardsmen and Reservists. The employers received briefings on the roles, missions and capabilities of the modern Reserve component forces. The activities visited included the Army National Guard's High Tech Training Center at Fort Dix, New Jersey; Military Police training at Fort McClellan, Alabama; afloat and ashore Navy and Marine training at Norfolk and San Diego; Air Force training at San Antonio, Texas; Coast Guard training and drug interdiction operations in Florida; and others.

A series of training workshops was conducted throughout this past year to improve the competence of the state-level volunteer committees. A public affairs workshop was conducted in May 1989 to increase committees' efforts in publicizing Reserve component activities. Over 200 local job rights ombudsmen received training to further improve liaison and conflict resolution at the local level. The National Ombudsman staff acted on more than 7,000 information inquiries or complaints, a 13 percent increase over 1988.

Since 1984, the Defense and Labor Departments have been working together on the development of a legislative proposal for the consolidation and modernization of Title 38, U.S. Code provisions which govern the reemployment rights of veterans and Reservists. Incorporating a considerable body of case law, this proposal would establish common standards of protection for Federal, State, and local government employees, as well as private sector employees. Work on the proposal is nearing completion.

National Guard And Reserve Equipment

During FY 1989, the Department of Defense and the Services continued to improve the equipment condition of the Reserve components. The impact of increased funding during the decade of the 1980's continues to be reflected in both improved capabilities and higher equipment fill-rates.

On the basis of a representative sampling of 1,550 major line items in my FY 1991 report to Congress (on the status of National Guard and Reserve equipment), I estimate that equipment valued at $9.6 billion was delivered to National Guard and Reserve forces during FY 1989. This included 293 fixed wing aircraft, 221 helicopters, two ships, 812 tanks, more than 10,900 tactical and support vehicles, as well as engineering, communication, and other equipment. Future projections indicate a declining level of equipment distribution to the Reserve components to an average of $6.7 billion annually over the next four years. This reduction is in direct correlation to the level of Service procurement funding.

On the basis of this representative sample, it is my opinion that if the Reserve forces were mobilized during FY 1991, they would be able to field approximately 84 percent of their required equipment, in terms of dollar value. Through the use of available substitute items, this capability could be raised to approximately 89 percent.

Even if the Department achieves a one hundred percent execution of its current equipment redistribution and procurement plans, shortfalls will remain. The FY 1991 National Guard and Reserve Equipment Report projects a very impressive on-hand equipment fill-rate of 85 percent (93 percent counting available substitutes) by the end of FY 1993; however, this unprecedented fill-rate still leaves an equipment shortfall of about $10 billion. This is $1.4 billion larger than last year's shortfall forecast of $8.6 billion for FY 1992. This increase in shortfall is due to a combination of increasing requirements and decreasing procurement funding. Further progress in closing the gap between equipment on hand and wartime requirement is becoming increasingly difficult, given the availability of resources.

Service plans for FY 1991 Reserve component equipment procurement are contained in the Departments' P-1R report which accompanies the President's budget request. It reflects the types, quantities, and costs of equipment items to be procured for the Reserve components. The report identifies $1.33 billion for National Guard and Reserve equipment procurement in FY 1991.

For the first time, the Department of Defense has submitted a specific request this year for the funding of equipment for the Reserve forces. For FY 1991, we are requesting $455.4 million. This amount is over and above what the Services are requesting per their P-1R report. This new initiative by the Department to dedicate substantial funds to the equipment needs of the Reserve forces will, we believe, ensure that those needs are, in fact, addressed even as the DoD budget as a whole is reduced.

Table 15 shows the total DoD and Reserve component procurement budget for FY 1989 through FY 1991. The FY 1989 and FY 1990 budget figures reflect the Service-allocated procurement funds (P-1R) plus the congressional adds. The FY 1991 figures consist of P-1R funds and the DoD-requested funds.

TABLE 15

DoD PROCUREMENT
($ in Billions)

	FY 1989 Budget	FY 1990 Budget	FY 1991 Budget
Total DOD Procurement	79.4	82.6	77.9
Guard and Reserve Procurement	3.5	4.2	1.8

Table 16 shows the Service (P-1R), DoD, and total budget request for each Reserve component as included in the President's budget request for FY 1991.

TABLE 16

FY 1991 PROCUREMENT BY RESERVE COMPONENT
($ in millions)

Component	Service Request	Guard/Reserve Account	Total
Army Guard	538	133.0	671.0
Army Reserve	214	61.1	275.1
Marine Corps Reserve	43	25.0	68.0
Naval Reserve	111	60.4	171.4
Air National Guard	318	130.3	448.3
Air Force Reserve	106	45.6	151.6
TOTAL	1,330	455.4	1,785.4

National Guard and Reserve Facilities

The maintenance of present Reserve component facilities remains a priority. For repair and maintenance activities of 5,300 Reserve component facility locations in more than 4,500 communities, the DoD has requested $638 million for FY 1991. The FY 1991 funding level will not permit a reduction in the backlog of maintenance and repair. We are optimistic, however, that force structure changes in the Military Departments will permit the Reserve components to eliminate some aging facilities and utilize facilities vacated by Active forces.

The FY 1991 Guard and Reserve Military Construction budget request of $280 million is $382 million (58%) lower that the FY 1990 appropriation. It also represents a $101 million (27%) decrease from last year's FY 1991 budget request submitted as part of the FY 1990/1991 biennial budget.

This substantial reduction in the Department's request does not signify a reduction in the facilities requirement. It represents a programatic pause in funding potential requirement changes associated with force structure changes. In fact, the requirements for FY 1991 and beyond may grow substantially due to new equipment deliveries, equipment redistributions from Active forces, and dedicated Reserve components equipment funding increases. The demands of force structure changes, increased training, new equipment, and an aged facilities inventory may support a substantial military construction budget request in the future. The effect of this constrained funding will cause an increase to $7.7 billion in the construction backlog in the short run.

I have taken several steps to improve the cost-effective use of facilities during this period of reduced resourcing. Principal among these steps is an emphasis on the joint use and joint construction of facilities among all of Reserve components, and a separate emphasis on the shared-use of facilities with the Active components. I am also pleased to report that Reserve components continue to lead the Department in the percentage of projects awarded during the first year of eligibility. This success permits us to provide needed facilities earlier and to minimize the inflationary factor.

Army Reserve Component Automation System

I am pleased to report that significant progress has been made in the last year in the development of the Reserve Component Automation System (RCAS), a major automation initiative to enhance Army Reserve Component peacetime operations and mobilization planning and execution capabilities. Under the direction of the Chief of the National Guard Bureau, the comprehensive description of functions to be automated was completed; system development and acquisition plans were developed and approved; full program funding was provided; formal DoD and GSA authorization to proceed with the acquisition was granted; and a request for proposals (RFP) for the phased development of RCAS, with initial deployment of RCAS critical elements beginning in FY 1992, was released to industry on December 29, 1989.

It is my understanding that system acquisitions of this size carry a degree of risk with respect to program cost and schedule. Although the RCAS plans have been structured to minimize such risks, the broad scope of the functions which are to be automated may create cost and schedule problems which cannot be anticipated. I have been assured that every effort is being made to ensure that such problems do not arise and that the program will continue to progress on schedule. Much more will be known about the nature and degree of risks to the program following the review and evaluation of the contractor bids at the end of FY 1990, and of the subsequent results of contractor performance during the competitive demonstration which is to be completed in FY 1991.

Counternarcotics Activities

The Counternarcotics Program of the DoD has expanded substantially in recent months. Part of that expansion is the result of the performance by the Department of three specific counternarcotics missions which were established by Title XI of the FY 1989 National Defense Authorization Act. The expansion is also due to initiatives which have been taken by the DoD in the implementation of the President's National Drug Control Strategy.

To date, the largest use of Reserve forces in the Nation's fight against illegal drugs has involved personnel of the National Guard operating in a "state" or Title 32 status. For both FY 1989 and FY 1990, 54 separate state and territorial plans for the use of the National Guard were submitted to the DoD for review and approval.

During FY 1989, more than 1,811 support missions were conducted by some 6,796 National Guard personnel, utilizing some 149,449 man-days of effort. The missions included ground and aerial reconnaissance and surveillance. Photo reconnaissance was typically provided by RF-4C Air National Guard units and OV-1D Army National Guard military intelligence units. Additional tactical intelligence through surveillance of such special targets as border crossing points, abandoned air strips, etc., was provided by Special Forces, Long Range Reconnaissance Patrols, and by other specialized units of the National Guard. The missions also included: the transportation of law enforcement officers, evidence, seized property, and contraband; Air National Guard radar operations to track suspect aircraft; cargo and container searches at seaports, airports, and land border entry points; aircraft, watercraft and motor vehicle searches at law enforcement checkpoints; joint training for National Guard and law enforcement personnel; administrative, intelligence, engineering, communications, and maintenance support to law enforcement agencies; and the loan of specialized military equipment. The missions were usually performed in addition to the regular training activities of the National Guardsmen, but on a case-by-case basis some missions were conducted incidental to regular training or as a by-product of regularly scheduled training.

Law enforcement agencies at the Federal, State and local levels have been very pleased with the support that has been provided by the National Guard. The challenge for the DoD and for the individual Adjutants General is to continue this excellent support in a way which does not violate the restriction imposed by the FY 1989 legislation that such support "may not be provided" if it will "adversely affect the military preparedness of the United States."

The counternarcotics activities of the Federal Reserve forces have necessarily been limited by the restrictions of the Posse Comitatus Act of 1978. Nevertheless, increasing use is being made of those forces. For several months, individual Reservists have made critical contributions to the efforts of the Commanders of Joint Task Force 4 (Key West, Florida) and Joint Task Force 5 (Alameda, California) in their performance of the DoD mission to serve as the lead Federal agency for the detection and monitoring of the aerial and maritime transit of illegal drugs. On November 13, 1989, the Secretary of Defense announced the activation of a third anti-drug joint task force, JTF-6, at Ft. Bliss, El Paso, Texas. Joint Task Force 6 will serve as a planning and coordinating headquarters to provide counternarcotics support from the DoD to Federal, State and local law enforcement agencies along the Southern border. The support has involved and will continue to involve the use of Federal Reserve forces as well as Active duty forces. The Marine Corps Reserve, for example, has provided training and equipment support to law enforcement agencies, including the U.S. Border Patrol and U.S. Customs Service. The Naval Air Reserve has flown surveillance sorties in support of drug enforcement efforts while Naval Reserve ships provide individual support. The Air Force Reserve provides support primarily in the form of surveillance on training flights. Coast Guard Reservists contribute directly by performing such duties as port security, surface interdiction, investigations, boardings, and surveillance.

The FY 1991 Budget Request for the Reserve Components

Table 17 summarizes the budget which has been recommended for the Reserve components for FY 1991.

TABLE 17

Reserve Component Budget Requests
January 29, 1990 Submission
($ In Millions)

	FY 1989 Actuals	FY 1990 Estimate	FY 1991 Budget
Army National Guard			
Military Personnel	3,297.8	3,246.7	3,358.7
Operation & Maintenance	1,826.9	1,859.1	1,988.5
Military Construction	229.2	205.2	66.4
Totals	5,353.9	5,311.0	5,413.6
Army Reserve			
Military Personnel	2,240.8	2,201.1	2,337.1
Operation & Maintenance	810.8	872.1	890.4
Military Construction	86.0	79.5	59.3
Totals	3,137.6	3,152.7	3,286.8
Navy Reserve			
Military Personnel	1,588.4	1,572.2	1,624.6
Operation & Maintenance	955.7	923.5	984.6
Military Construction	60.9	56.6	50.2
Totals	2,605.0	2,552.3	2,659.4
Marine Corps Reserve			
Military Personnel	315.0	314.5	336.4
Operation & Maintenance	77.4	77.4	86.1
Totals	382.4	391.9	422.5
Air National Guard			
Military Personnel	1,032.9	1,057.5	1,089.0
Operation & Maintenance	2,021.9	2,021.5	2,175.4
Military Construction	158.5	199.0	66.5
Totals	3,213.3	3,278.0	3,330.9
Air Force Reserve			
Military Personnel	654.2	662.8	684.0
Operation & Maintenance	1,072.5	1,008.5	1,042.5
Military Construction	70.6	46.2	37.7
Totals	1,797.3	1,717.5	1,764.2
Total For All Reserve Components			
Military Personnel	9,129.3	9,054.8	9,429.8
Operation & Maintenance	6,765.2	6,762.1	7,167.5
Military Construction	605.2	586.5	280.1
Totals	16,499.7	16,403.4	16,877.4

Conclusion

The world is rapidly changing. The changes present major challenges to the planning of the force structure and (Active/Reserve) force mix which are necessary for the implementation of our national military strategy, including the preparation for future conflicts which are increasingly difficult to predict. I continue to believe, however, that these challenges can be met successfully if we address them with candor and energy, as well as an informed and focused discussion of how we can yet improve a Total Force Policy that has already proven to be a major success.

ARMY RESERVE

STATEMENT OF MAJ. GEN. WILLIAM F. WARD, CHIEF, ARMY RESERVE

Senator **INOUYE**. May I now call upon General Ward?

General **WARD**. Mr. Chairman, I am pleased to be here today to represent the more than 600,000 citizen soldiers of the Army Reserve, along with the roughly 125,000 retirees who have hip pocket orders and are our responsibility. The "Reserve personnel, Army" budget request for fiscal year 1991 is for $2.3 billion. It is an increase of $136 million over the fiscal year 1990 amount, but less than the amount needed to deal with the impact of inflation. It will support a Selected Reserve end strength of 309,000. That is the same as our fiscal year 1990 end strength, but 10,000 less than the fiscal 1989 end strength. By the end of fiscal 1990, the number of drilling reservists is expected to decline to 281,000 and remain at that level through fiscal 1991.

The "Operation and maintenance, Army Reserve" budget request is for $890 million. It is an increase of $18 million over fiscal 1990 and does not fully deal with the impact of inflation.

The level of equipment in the Army Reserve continues to improve. While we still have only about 59 percent of the equipment required, there have been significant increases. We have received about $1.5 billion of equipment from a combination of the normal Army procurement and the dedicated procurement program.

These two factors have substantially improved our Reserve training and mission capability. In summary, there has been significant progress in many areas of the Army Reserve's operations. I look forward to answering any questions you may have.

Mr. Chairman, thank you for the opportunity.

Senator **INOUYE**. Thank you, General.

[The statement follows:]

STATEMENT OF MAJ. GEN. WILLIAM F. WARD

Mr. Chairman and Members of the Committee:

I am pleased to be here today representing the more than 600 thousand citizen-soldiers of the Army Reserve and the more than 124 thousand retirees with hip pocket orders, to present the Fiscal Year 1991 Reserve Personnel, Army (RPA) and Operation and Maintenance, Army Reserve (OMAR) appropriation requests.

As we enter the 1990's, both the Army Reserve and the Total Army, of which it is an integral part, are confronted with unprecedented changes in the world and in strategic defense requirements. These changes have produced a climate that requires a fresh analysis of the size, structure, mix, mission, and stationing of defense forces worldwide. Although the analysis is not complete, we certainly will see a smaller Army that may well be more confined to American territory. This will undoubtedly necessitate corresponding changes in the Army Reserve and the role it plays in the Total Force, particularly in providing support units and rounding out the active force. Reserve forces are particularly well suited to meeting contingencies and augmenting active component units. A prime example is the superb performance of Reservists in Panama in Operation JUST CAUSE. Given the reductions in Army Reserve personnel that have occurred as a result of fiscal constraints, and considering the further potential reductions imposed by future Gramm-Rudman-Hollings cuts, keeping our reserve force highly trained and effective is essential.

We are all facing unique political and strategic challenges in the face of declining resources. Dealing with uncertainty and turbulence will without any doubt dominate the agenda of the Army Reserve and the Total Army. However, we fully expect the Reserve to remain an essential element in the planning for contingencies. We also are particularly well suited to perform the role of managing the transition of soldiers departing the active component in a downsized Army.

The Reserve Personnel Army (RPA) budget request for Fiscal Year 1991 is for $2.3 billion, an increase of $136 million over the Fiscal Year 1990 amount. It supports a selected Reserve end strength of 309,200 (the same as our sequestered Fiscal Year 1990 end strength, and 10,000 less than Fiscal Year 1989's end strength). The savings generated in Fiscal Year 1991 by this strength reduction will allow for some improvement in training support. Troop program unit end strength for the Army Reserve was 290,000 at the end of Fiscal Year 1989. By the end of Fiscal Year 1990, this number of drilling Reservists is expected to decline to 281,000 and remain at that level throughout Fiscal Year 1991; however, we will be able to meet our current mission requirements with this number.

Beginning with Fiscal Year 1991, we must make difficult choices between retaining existing structure and activating programmed structure in the face of constrained funding. We will predicate our decisions upon an objective analysis that structures a USAR force that best meets both warfighting and contingency requirements of the 1990's.

Given the recent unprecedented events in Europe and Central America, foretelling all of the ramifications facing the Army is almost impossible. However, this uncertainty makes maintaining the Reserves readiness all the more essential. The single most essential factor in determining Army Reserve readiness is full time support. Full time support personnel allow drilling Reservists to spend their limited training time actually training by administering, planning, and performing maintenance and logistical functions for their units. AGR personnel also provide commanders increased flexibility to perform their missions because of their availability as a 24-hour asset, specialty training, and relocation to meet worldwide Army

Reserve requirements. It is the presence of full time support personnel, especially our AGR soldiers, that has allowed the Army's leadership to assign increased missions confidently to its reserve components.

The relatively small number of AGRs and other full-time support personnel successfully enables reserve component units to replace more expensive active component units. In this sense, the investment in AGRs and Army Reserve technicians is particularly prudent. In terms of the Total Army's ability to expand its mobilization and readiness capacity, the return on this investment is especially significant in these days of severely constrained budgets.

The Individual Ready Reserve (IRR) is the Army's principal source of trained military personnel to serve as replacements or filler personnel for both active and reserve component units. Supporting the Total Army, the IRR constitutes the nation's largest pool of deployable and trained manpower. IRR strength has grown from 213,000 in Fiscal Year 1981 to a Fiscal Year 1989 end strength of over 274,000. However, as the result of downsizing the active Army and the effects of the 8-year military service obligation, the IRR is expected to grow to 431,965 by the end of Fiscal Year 1991.

During Fiscal Year 1989, Army Reserve units and soldiers participated in a wide variety of training activities that improved readiness and our ability to support augmentation and contingency operations. Approximately 1,400 Army Reserve units/cells comprised of almost 18,000 soldiers participated in overseas deployment training. Over 28,000 Individual Ready Reserve soldiers (18,286 officer and 9,930 enlisted) performed annual training, active duty for training, or active duty for special work tours. 56,153 IRR soldiers (11,066 officer and 45,087 enlisted) reported for one day of active duty as part of the IRR screening program. Approximately 2,000 Army Reservists volunteered for active duty in support of Operation JUST CAUSE in Panama.

The Fiscal Year 1991 request also includes $56.2 million for incentives and $12.5 million for education benefits. These programs are a major element in maintaining our unit strength and in fulfilling mission requirements. The incentive program pays a variable bonus to persons enlisting in the Army Reserve in specific critical skills or high priority units, and it reduces critical skill shortages in both troop program units and the IRR. The education benefit program helps build a stronger, smarter Army Reserve. These programs are complementary and both are essential to attaining our strength goals. Of particular importance are the Montgomery G.I. Bill and its "2 X 2 X 4" option. It is attractive to both members of the civilian community and soldiers departing the active component, and the education it provides benefits both the Army and the national economy. Furthermore, our overall success in bringing these active component soldiers into the Army Reserve shows how well we can perform the increasingly important task of transition management.

The OMAR budget request for Fiscal Year 1991 is for $890 million, an increase of $18 million over Fiscal Year 1990. This amount will be adequate to support an existing level of readiness although the impact of inflation and pay raises limits our ability to make improvements.

The level of Army Reserve equipment on hand continues to improve. Since Fiscal Year 1981, the Army Reserve has received approximately $1.5 billion of equipment from the combination of the Dedicated Procurement Program and normal Army procurement, and we are grateful for the Congressional support that is responsible for the funding of these equipment purchases. It has substantially improved Army Reserve training and mission capabilities.

Continued concern must focus on problems in our $63.6 million dollar Fiscal Year 1990 maintenance and repair backlog. The gap between our requirements for facilities and our ability to fund these requirements continues to widen. Because of this, your continued support of our facilities budget is essential for us to maintain Reserve readiness and to prevent any exacerbation of an Army Reserve construction backlog approaching $2.4 billion dollars.

In sum, there has been significant progress in many areas of the Army Reserve's operations. While the uncertainties of the years ahead present many challenges, I remain fully confident the Reserve Components, properly staffed, resourced, and trained can continue to do the jobs and accomplish the missions assigned to them. Furthermore, by virtue of their being part-time, the citizen soldiers of our reserve forces are, in these days of tight budgets, the best bargain in DoD. Your continued help and support is absolutely necessary if we are to continue to meet the requirements of today's rapidly changing world.

NAVAL RESERVE

STATEMENT OF REAR ADM. JAMES E. TAYLOR, U.S. NAVY, DIRECTOR OF NAVAL RESERVE

Senator INOUYE. May I now call on Admiral Taylor.

Admiral TAYLOR. Good morning, Mr. Chairman. It is a pleasure to be before your committee today to discuss the state of the Naval Reserve.

Today, our force of approximately 153,000 selected reservists is representative of the significant gains that the Naval Reserve has made over the past decade. These gains have been achieved at no small investment of dollars and effort, but I believe the results speak for themselves.

Today, the Naval Reserve is far better trained and equipped than it ever has been. If I was asked to describe this force with a single word, I would use the word "quality." This quality is measurable in terms of our people, training, facilities, and equipment, and especially our readiness to mobilize.

The advances are largely the result of the commitment, vision, and support of the Congress, the leadership of many Navy and Department of Defense officials, and the hard work and dedication of those who have served in the Naval Reserve in the past decade.

I would also add that while the size and shape of our force in the future will be governed by a realistic assessment of total force requirements, I am confident that an ongoing commitment to preserve or even improve this level of quality will be evident. The changing world environment will not obviate our need for a strong Navy. We remain a maritime nation, and if recent history is any indicator, we can expect to continue to face challenges that the Navy is best prepared to meet.

My full statement has been submitted for the record, and I am ready to answer questions.

Senator INOUYE. Thank you very much, Admiral.

[The statement follows:]

STATEMENT OF REAR ADM. JAMES E. TAYLOR

Mr. Chairman and members of the committee:

I am pleased to have this opportunity to appear before your committee.

Since I assumed command of the Naval Reserve Force in August 1989, much has happened -- both in the world and in the U.S. Navy. The 1990s have begun in a dramatic fashion and I know we are all hopeful the changes in the Soviet Union and Eastern Europe will ease the tensions that too long have divided the world.

While it is not my intent to analyze what these changes may mean, no doubt they will have an impact on the role we play in the national defense. I hope my comments will give you a better understanding of where we are in the Naval Reserve today, how we fit into the Navy as an element of the Total Force and what our plans are for the future. I also hope that you will find my thoughts helpful on what I see as the strengths of our program, and some of the problems that *may* lie ahead.

Let me begin with a small commercial. 1990 marks the 75th anniversary of the Naval Reserve and we in today's Navy, along with those who previously served, are reflecting with pride on the many achievements of our people. Few could have envisioned, in March of 1915, how that fledgling force would evolve.

But evolve it has. Today our force of about 153,000 Selected Reservists -- drilling reservists and full-time support personnel -- is a vastly different force than the one we had as recently as the Vietnam era.

Problems that plagued us in the recent past are no longer present. For example, in 1968, when six Naval Air Reserve squadrons were recalled to active duty in response to the seizure of the USS PUEBLO, not one of those squadrons deployed or left the United States. The reason: their aircraft were incompatible with fleet carriers and the squadrons were 47 percent undermanned.

We would all call that unthinkable today, and truly there has been a dramatic change in the readiness of our Reserve Force.

Indeed, I am proud to tell you that the Naval Reserve today is a far better trained and equipped force than it has ever been in its 75 years. The Naval Reserve today is part of a highly motivated and skilled military force. It is filled with individuals who are anxious to perform early deploying missions that would have been unthinkable for Reserve Forces only a few years ago.

As we all know, there was a time -- not too long ago -- when the Navy was far less technical than it is today. In those days, if the Naval Reserve could supply an able-bodied seaman, it had given the Navy all it wanted.

Today's Navy demands a Naval Reserve with many technical specialists. To be sure, there will always be a need for some of those able-bodied seamen in any mobilization recall, but they alone will not keep an F-14 Tomcat flying or a frigate steaming in a carrier task force.

We are, therefore, no longer a mere manpower pool. And while many reservists were extremely talented individuals in the past, their training was not as intense or as critical as what we give our reservists today. In that not-too-distant past our people often were shunted into classrooms and given boring (and admittedly outdated) lectures by instructors who knew little of the demands of an increasingly sophisticated fleet.

One of my top goals, one I announced long before the changes in Europe were apparent, is to increase our support to the fleet. I directed that, whenever possible, training should be focused toward helping the fleet accomplish its missions. That goal is, no doubt, more important today, given the fiscal constraints that lie ahead.

Before I discuss what I see ahead, please allow me to say that we in the Navy owe you in the Congress a special debt of gratitude for all you've done to make certain that our Reserve Force has become so responsive. Thanks to your support, the leadership of many Navy and DOD officials and the hard work and dedication of those who have served in the Naval Reserve in the past decade, I can report to you today that we are at the highest state of personnel and material readiness in our history.

Not only has our equipment improved, our Reserve missions have become more professionally enhancing and operationally related. More and more of our reservists are training alongside their active duty counterparts, receiving "hands on" training on the latest Navy equipment. And, when needed, our reservists have responded; from the Persian Gulf to the Alaskan oil spill, we have been ready, willing and able.

Benefits such as the Montgomery G.I. Bill and added commissary privileges are contributing to excellent morale. It's fair to say that our reservists have never been more highly motivated, or, in a word, happier.

As a follow-up to the FY-90 Authorization Bill, we look forward to the results of a two-year test of the unit incentive

Allowance. This Training Allowance provides the equipment required to conduct unit training. The balance of the units Table of Equipment is held by the Commander, Marine Corps Logistics Bases in the Marine Corps Stores System in Albany, Georgia and Barstow, California. Upon mobilization, the remainder of a unit's Table of Equipment, or initial issue, will be shipped to the appropriate Station of Initial Assignment or Port of Embarkation.

The $35 million requested in the Fiscal Year 1991 Procurement, Marine Corps budget in support of the Reserves will enable us to continue the Amphibious Assault Vehicle Product Improvement Project, procure a Tactical Air Operations Module, and continue procuring items in the Marine Corps shelter and container families. These items are part of the ongoing modernization of the 4th Division-Wing Team.

READINESS

Readiness is the hallmark of the Marine Corps. The 4th Division-Wing Team is regularly assessed with the same criteria used to evaluate and measure the Active Component. The Marine Corps Field Supply and Maintenance Analysis Offices conduct regular assistance visits to units to analyze supply accounting records and equipment maintenance procedures. Based on their analysis of both Active and Reserve units, 4th Division-Wing Team units are exercising the same level of sound supply accounting practices and maintenance procedures as Active units.

Using realistic scenarios and the same criteria as the Active Component, the 4th Division-Wing Team evaluated ten battalion/squadron size units last year using the Marine Corps Combat Readiness and Evaluation System. These evaluations indicated that the evaluated units were ready to assume their role as part of the Total Force upon mobilization.

In addition to tactical expertise, another aspect of reserve readiness is preparedness for mobilization. The Mobilization Operational Readiness Deployment Test is used to evaluate mobilization readiness. This test is a short notice drill, as it is expected mobilization might be, and provides a realistic evaluation of a unit's capability to recall its personnel and move them to their Station of Initial Assignment quickly and efficiently. Last year 125 units were evaluated under this test, with 86 percent being rated mobilization ready. Those units not judged to be ready are reevaluated within six months. Overall mobilization readiness within the 4th Division-Wing Team indicates that units and personnel are prepared to provide quality forces on short notice with substantial capability for immediate employment in any theater of operations.

While the results of these evaluations and tests are primarily for the use of unit commanders, they provide the Commandant with a valuable perspective on the readiness of his Reserves. All indicators show that the 4th Division-Wing Team is prepared for and capable of supporting the missions and roles they have been assigned.

The Marine Aviation Logistic Support Concept program is currently in its final stages for implementation. When completed, the program will improve sustainability and readiness of Marine Reserve aviation. The Contingency Support Packages for the 4th Marine Aircraft Wing's rotary wing and fixed wing aircraft mix are funded by the Operations and Maintenance, Naval Reserve budget. These Contingency Support Packages will provide aviation logistics support during mobilization.

TRAINING

The 4th Division-Wing Team sponsors an intensive and aggressive training program which includes emphasis on warfighting skills and participation in Active Component exercises. This training helps retain our quality Reserve Marines. While the Reserves do not have the same amount of time to train as their Active Component counterparts, the realistic and meaningful training provided will ensure a combat capable force upon mobilization.

Non-Prior Service enlisted Marines accessed into the Marine Corps Reserve undergo the same initial boot camp training as Active Component Marines. The Commandant's Marine Battle Skills Training applies equally to the Reserve and Active Components. Marine Battle Skill Training involves the Basic Warrior Training program conducted during recruit training and the follow on Marine Combat Training conducted at the Schools of Infantry. All Marines attend the same full length formal schools to obtain their Military Occupational Specialty qualification after completing Marine Combat Training.

All Prior Service Marines are recruited for a specific unit and Military Occupational Specialty. Frequently, however, outstanding Marines leaving active duty with skills that the 4th Division-Wing Team has a requirement for are unable to join a local Reserve unit because they live beyond the 50 mile limit of the unit in need of that particular skill. As a result, these Marines that have faithfully served are afforded the opportunity to learn a new primary Military Occupational Specialty by either attending full length formal schools or by assignment to the Initial Skill Training program.

The Initial Skill Training Program allows Reserve Marines, both Prior Service and Non-Prior Service, who are unable to attend full length schools, to obtain a billet Military Occupational Specialty in two years by completing a combination of two week formal schools, Managed-on-the-Job Training, correspondence courses, and vocational/technical school courses. We have programmed for 300 Prior Service Marines to receive this training during Fiscal Year 1990. About the same number will receive this training during Fiscal Year 1991. The Initial Skill Training program helps reduce Military Occupational Specialty mismatches, primarily in ground units.

In addition, the Vocational/Technical Training program provides skills and Military Occupational Specialty training within the Selected Marine Corps Reserve. We will continue to use community vocational and technical training resources to increase the number of technically proficient Marines. We are continually upgrading this program to be sensitive to future requirements.

The Marine Corps Reserve continues to enhance individual and collective training by exploiting new technology with training simulators and devices allowing the 4th Division-Wing Team to conduct meaningful and realistic training without leaving the training centers in most cases. We have used the National Guard and Reserve Equipment, Defense appropriation to acquire two full-crew tank trainers and our Light Armored Vehicle Battalion has received three 25mm gunnery trainers. The 4th Division-Wing Team will soon be receiving 38 innovative and effective indoor simulated marksmanship trainers for small arms. When received, this trainer will allow units with limited access to rifle ranges the opportunity to maintain and even improve individual marksmanship skills.

All Marines, Active or Reserve, are required to participate in the Commandant's vigorous Professional Military Education (PME) program. This program which includes professional reading and self-study in conjunction with formal schools, emphasizes the responsibility of all Marines to continue their professional growth. Our PME opportunities are designed to accommodate the limited training time available to most Reservists. During Fiscal Year 1990, 764 officers are scheduled to attend formal schools during two-week annual training periods, including the Marine Corps Amphibious Warfare School and the Marine Corps Command and Staff College. We plan on providing 872 officers these PME opportunities in Fiscal Year 1991. In Fiscal Year 1991, Active and Reserve officers that are not selected for a PME resident school, will be required to complete the appropriate Non-Resident PME course by correspondence. Selected Active and Reserve officers will then attend a two week resident course of instruction at the Marine Corps University, Quantico, Virginia, to augment their Non-Resident PME.

Always mindful that the staff non-commissioned officer, or SNCO is the "backbone" of the Marine Corps, 222 Reserve SNCO's will attend the Staff Non-Commissioned Officer Academies resident course during Fiscal Year 1990. One Advanced SNCO course will be conducted for 48 of our Sergeants Major and Master Gunnery Sergeants at the Marine Corps University, Quantico, Virginia, during this Fiscal Year. Similar numbers are planned for Fiscal Year 1991.

Members of the Individual Ready Reserve are afforded the opportunity to participate in individual training through the Reserve Counterpart Training and Exercise Support programs. Reserve Counterpart Training is designed to provide Military Occupational Specialty refresher training; 1,442 Marine officers and enlisted personnel will be afforded the opportunity to participate in this training during Fiscal Year 1990. Similar numbers are budgeted for during Fiscal Year 1991. The Exercise Support Program will provide operational training to 579 Marines during Fiscal Year 1990. This program affords the Reserve Marine the opportunity to join Active Component units while those units are participating in exercises. This level of operational training support is expected to continue next year.

As part of the Commandant's Warfighting Initiatives to structure the active forces to be more expeditionary, sixteen Reserve rifle companies were earmarked to assume the role of the fourth company to designated Active Component infantry battalions. These rifle companies in the event of mobilization will report to their designated battalion. The Reserve Marines train to standards established by their Active Component counterparts, and during Annual Training Duty these earmarked companies join their designated battalion. Last year three companies trained overseas. This year two Reserve rifle companies are programmed to train overseas with their Active Component battalion. Our budget request will enable us to provide Reserve units the opportunity to train both overseas and in the Continental United States. These types of training opportunities aid in recruiting and retention.

During Fiscal Year 1990, units of the 4th Marine Division-Wing Team will participate in 24 exercises along with their Active Component counterparts. Other units will conduct basic combat training to improve rear area security capabilities, live-fire exercises, Military Occupational Specialty training, and skill progression training.

A significant series of exercises that are held each year are the Combined Arms Exercises. The primary purpose of a Combined Arms Exercise is to improve the proficiency of command and control personnel in fire support planning and coordination. Elements of the 4th Division-Wing Team participate in these exercises held at the Marine Corps Air Ground Combat Center, Twentynine Palms, California. Over 7,500 Marine Reservists participate in these exercises each year. We plan on conducting two Combined Arms Exercises this year and two in Fiscal Year 1991.

Superior realistic training and leadership have resulted in increased retention in the Selected Marine Corps Reserve. Continued funding to enable positive training opportunities will enable us to retain the best Marine Reservists in the Ready Reserve.

THE WAR ON ILLEGAL DRUGS

The National Defense Authorization Act of Fiscal Year 1989, has given the Marine Corps Reserve the opportunity to be involved in counternarcotics efforts. The 4th Reconnaissance Battalion, 4th Marine Division, from San Antonio, Texas, has conducted surveillance training along the United States southwest border in conjunction with the United States Border Patrol in a cooperative effort to reduce the illegal drug supply. The battalion has also provided training in land navigation and patrolling to the Border Patrol. These ongoing activities not only assist the Border Patrol in its efforts, but provide the individual Marines with excellent training opportunities.

Additionally, Marine Reservists from the 4th Marine Aircraft Wing participated in counternarcotics operations this year. Fourth Marine Aircraft Wing KC-130s, OV-10s, CH-53s and UH-1s flew 430 flight hours in support of these operations. Additionally, Marine Reservists manned an AN/TPS-59 radar site in the Caribbean to monitor enroute air traffic and report suspected illegal drug activity. These operations provided 4th Marine Aircraft Wing personnel with realistic and meaningful Military Occupation Specialty training.

We have continued our aggressive policies to eradicate the demand for illegal drugs within our Corps. The Marine Corps Substance Abuse Program contains both proactive and reactive programs. These programs are applicable to both Active and Reserve Marines. Marine Corps policy is very clear - it will not tolerate illegal drug use among Marines, either Active or Reserve. Our Marines are trained in the consequences of drug use, distribution, and/or possession. They are also subjected to detection through random urinalysis testing and are briefed on the voluntary drug disclosure program. One of the major goals of our policy is to provide a drug-free environment for all Marines.

We have encouraged voluntary participation in "Campaign Drug Free", a program designed to send Reservists into the local elementary schools to encourage young people to avoid illegal drugs. Individual Marine Reservists have been actively participating in local community anti-drug efforts for years. As an enhancement to our past participation we have established the Marine Corps Community Drug Education Assistance Program. This program is designed to augment community anti-drug efforts and is conducted by Active and Reserve Marines on a purely voluntary basis. This relatively new program encourages coordinated command participation in community drug deterrent measures.

COMMUNITY SERVICE

Marine Reservists are in fact "twice the citizen." When their local community is in need, they respond with enthusiasm. After Hurricane Hugo, Marine Reservists volunteered to assist their communities' clean-up efforts.

Our Active Duty inspector-instructor staffs helped man command posts that coordinated the local clean-up effort. Marine Reservists assisted in food preparation, helped serve at relief centers and assisted the Forest Service in clearing roads.

Following the San Francisco earthquake, Marines from the 4th Marine Aircraft Wing, based at Alameda Naval Air Station and Fresno, California, immediately provided support to many rescue and damage assessment missions. Marine Reserve helicopters, along with those of our sister services, were often the only reliable transportation during the first few days following the quake. In addition, Marine Reservists provided logistics support and provided communications assistance to the Federal Emergency Management Agency.

CONCLUSION

The Marine Corps Reserve is a vital element of the Total Force Policy. High morale and dedication are major strengths of today's trained men and women from across our country that are the embodiment of this force in readiness. With your continued support we will continue the modernization effort that was begun in the 1980's. With state of the art equipment and training facilities, our substantial effort in recruiting and training will result in our retaining quality Marines.

Finally, our integration of the Active and Reserve Components will continue from the Headquarters staffing process to units in the field. Mobilization is ultimately the integration of our Active and Reserve Components into a combined arms team, and is appropriately the dominant factor in all Reserve training and planning. Total Force is a vital, established reality in the Marine Corps. Our programs and funding requests at the attachment have been developed to ensure that the Marine Corps Reserve is prepared for its assigned roles.

The Marine Corps is a unique force with a crucial role to fill in the national defense of our country. Our continued commitment to the men and women that make up this force is essential. The substantial capability held in the Marine Corps Reserve is truly a vital dimension, one in which the American people can justifiably have great confidence and pride. Your Marine Reserve, if called upon, is ready to answer the call as part of America's Force of Choice.

TOTAL SUPPORT OF THE MARINE CORPS RESERVE

($ Millions)

MARINE CORPS APPROPRIATIONS	FY 1989	FY 1990	FY 1991
Reserve Personnel, Marine Corps (RPMC)	315.0	314.5	336.4
Military Personnel, Marine Corps (MPMC) (I-I, ACDU Support)	149.0	141.5	143.8
Operations & Maintenance, Marine Corps Reserve (O&M,MCR)	77.4	77.4	86.1
Procurement, Marine Corps	24.0	26.3	35.0
Operations & Maintenance, Marine Corps (HQMC CIV PERS/ADV)	2.7	2.9	3.0
TOTAL MARINE CORPS	568.1	562.6	604.3
NAVY/OTHER SUPPORT			
Operations & Maintenance, Naval Reserve (Flight Hours)	81.8	60.8	70.1
Reserve Personnel, Navy (Physicians, Dentists, Chaplains, Nurses)	12.7	13.2	13.1
Military Construction, Naval Reserve (MCNR)	20.0	24.8	15.7
National Guard Reserve Equipment, Defense Appropriation (NGREA)	81.8	108.6	25.0
TOTAL OTHER SUPPORT OF USMCR	196.3	207.4	123.9
TOTAL SUPPORT OF USMCR	764.4	770.0	728.2

AIR FORCE RESERVE

STATEMENT OF MAJ. GEN. ROGER P. SCHEER, CHIEF OF AIR FORCE RESERVE

Senator **INOUYE**. General Scheer?

General **SCHEER**. Thank you, Mr. Chairman.

It is a pleasure to be here with you this morning and share with you the status of the Air Force Reserve. As we said at this time last year, we are at an all-time level of readiness. Over 99 percent of our units are combat-ready, but perhaps more importantly the quality of people, manning and retention are at all-time highs. We are currently at our recruiting goals already for 1990. Over 40,000 of our people, for instance, last year participated in training exercises over and above the norm. Certainly, as you mentioned in your opening statement, the most significant was Just Cause, in which our airlift crews, both tactical and strategic, our gunship crews, aeromedical evac, base operations, tankers—literally the full spectrum of our missions—participated. It was a good example of the degree of Reserve participation that can be brought to bear on a purely voluntary basis, even with short notice.

Again, we owe a great deal of thanks to the employers of our people who let them off for far more time than what they have to, to our people themselves, their families, and your subcommittee, Mr. Chairman, for the support and the part you have played in this success.

Thank you.

[The statement follows:]

STATEMENT OF MAJ. GEN. ROGER P. SCHEER

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to appear before this Subcommittee and share with you the current status of the Air Force Reserve, the challenges we face and the accomplishments we have made during the past year. Our Reserve units are combat ready. They can be mobilized in 24 hours and deployed within 72 hours or less. In Fiscal Year (FY) 1989, we sustained the previous year's improvements in the quality of our training to obtain the highest level of readiness in our history with over 98% of our units (excluding those in conversion) designated combat ready. This is up from 71% just five years ago.

These readiness levels are the result of a continued team effort: the Congress, the Office of the Secretary of Defense, the Air Force, and the Reservist. By providing modern equipment, substantive missions and realistic training opportunities, the Congress, the DoD and the Air Force have given the high quality personnel of the Air Force Reserve the means and the motivation to sustain these high levels.

MANPOWER

As the members of this committee are aware, the Air Force Reserve has experienced significant mission growth over the past decade and a half. You have made this possible by providing the end-strength required to meet the associated wartime and contingency tasking responsibilities.

Air Force Selected Reserve end-strength consistently grew over the past 16 years. Total growth was approximately 65% between 1970 and 1989. We are recruiting to an end strength of 84,900 in FY 1990, up 1700 from FY 1989. As this growth occurred, however, the size of the full-time force necessary to support the Air Force Reserve declined from 25 to 18 percent of the Selected Reserve. Our full-time workforce of civilians, Air Reserve Technicians, regular Air Force assigned to the Air Force Reserve, and Reservists on Statutory Tours of active duty, finds itself increasingly stretched to meet the ever expanding management requirements of our units, especially with regard to readiness. As our percentage of wartime requirements continue to grow, the peacetime size of the management structure must grow as well. We ask for your support in this critical area.

Personnel Legislation

We owe much of the progress we've made in recruiting and retention to the benefits provided by the Montgomery GI Bill (MGIB). More than 10,000 of our currently assigned reservists are actively enrolled or have participated in the Reserve MGIB at some time during their enlistment. To improve participation, we have intensified management emphasis and publicity on this program, and we have recently initiated a survey to determine the educational interests and needs of the 35,000 reservists who are eligible for the MGIB. Informal inputs from the field continue to show a great deal of interest in the new vocational-technical school benefits anticipated for FY 1991.

The progress of one legislative proposal was not as successful as hoped. The Reserve Officer Personnel Management Act (ROPMA) was introduced in the 100th Congress and again during the first session of the 101st Congress with no resultant action. While we will continue to manage effectively in the Air Force Reserve until ROPMA is passed, we ask that you consider and adopt the major provisions of_ROPMA, when it is submitted again.

Recruiting and Retention

The Reserve recruiting structure continues to achieve exceptional results. Our Air Force Reserve Recruiting Service is unique as it maintains its own offices co-located with Reserve units across the country, primarily targeting a prior service hometown market. This organic recruiting structure is essential to the Air Force Reserve in successfully meeting its future requirements.

Our recruiters are finding an extremely high caliber of people: 76% of all recruits are trained, prior service members and 98% of our non-prior service enlistees are high school graduates or above. Retention was also up in FY 1989. Eighty-nine percent of the people we had on the rolls in the unit program, at the beginning of FY 1989, were still there at the end of the fiscal year. Additionally, we have reenlistment rates of 83% for non-prior service members and 93% for prior service members. Some turnover is healthy; we believe that a 90% retention rate is close to optimum.

Medical Readiness

We saw considerable improvement in our medical capability. While shortfalls of physicians and nurses exist against wartime requirements, we were, with the aid of existing incentive and bonus programs, able to achieve almost 100% of our overall authorized strength in the unit program. While a few vacancies still exist in the units for nurses, we have filled practically 100% of the unit physicians and 103% of the enlisted unit authorizations. The Individual Mobilization Augmentee (IMA) program still has shortages of critical physician skills but we are making progress toward achieving a 100% capability. Major factors in accomplishing these significant improvements in manning include the liberalized maximum age for initial commissioning, and the stipend program for advanced education. Future efforts to reduce the overall shortfall of critical skills will be concentrated in our new program to commission individuals directly into the Individual Ready Reserve (IRR). We will continue to expand the opportunities for our medical care providers to attend the combat casualty care course (C-4), and will be joining the Air National Guard in another joint medical readiness training effort beginning this summer. Once again, I want to emphasize, our medical manning has gone from 86% 4 years ago to almost 100% today.

PROGRAM CHANGES

The effect of the Department of Defense-wide Base Closure program on our people is location dependent. The Air Force Reserve is working with regular Air Force management to minimize Reserve personnel turbulence and adverse impact on unit mission readiness. The bases where Air Force Reservists are most likely to be affected are Norton AFB and March AFB in the Los Angeles basin. Potential additional base closings, i.e., Bergstrom AFB, will be addressed with the utmost sensitivity toward people and mission.

Equipment Modernization

The primary goal of the Air Force Reserve is to train and sustain a superior combat ready force prepared to augment the regular Air Force in emergencies, contingencies and wartime. Today, the Air Force is making great strides by providing our flying units with some of the newest, state-of-the-art aircraft in America's arsenal. The support Congress has given the Air Force has made these modernization efforts possible. We will do everything possible to train our people to ensure that the capabilities of these weapons systems are fully exploited.

We will continue to upgrade our tactical fighter force during FY 1991 with the conversion of our last two F-4 units to F-16s. Our units at Carswell AFB and Bergstrom AFB, Texas will convert to the F-16A/B in late FY 1991.

The continuing F-16 modernization of our tactical fighter force brings a corresponding challenge to the Reserve as we prepare to meet the anticipated threat well into the 21st Century. We must now address the midlife upgrade of this aircraft while ensuring commonality with the regular Air Force, the Air National Guard, and our allies. We coordinate our efforts with the regular Air Force and NATO as an active member of the Multinational Fighter Program.

Continued Congressional support for the modernization of the Air Reserve Component is greatly appreciated. This support was manifested in a number of ways in FY 1989. Among them were the authorization and appropriation of funds for two new C-130H aircraft to complete the modernization of the 910th Tactical Airlift Group, Youngstown International Airport, OH. We also appreciated the funds to initiate an Air Force-wide upgrade and improvement to the F-100 engines used in the Air Force Reserve's older F-16 aircraft.

Training

By law, category "A" reservists are required to spend fourteen (14) days in Annual Training, and to attend unit training assemblies one scheduled weekend each month. This totals thirty-eight (38) days annually. In today's Air Force Reserve, particularly in the area of flight operations, far more time is needed to accomplish the many training requirements. We depend heavily upon the "volunteerism" of reservists to keep their high proficiency. Our average aircrew member devotes 90 to 110 days annually to the mission.

The Air Force Reserve has long recognized that training innovation and efficient management of training activities are key to improving unit readiness. In 1989, we consolidated our training technology and development activities into the Air Force Reserve Training Development Center (TDC) at Warner Robins, Georgia. To meet unique Air Force Reserve training requirements, course materials and training packages are provided to units through use of interactive video disk technology. We also launched a major Noncommissioned Officer Leadership training program, with the overall goal of making better use of available training time on drill weekends. To further our progress toward that goal, the Air Force Reserve made significant reductions in the numbers of reports, administrative requirements and the amount of paperwork that traditionally interfered with specialized training activities.

The Air Force Reserve and Air National Guard are developing Regional Training Centers which will provide state-of-the-art simulator training for aircrews. Crews will travel to the appropriate center (Eastern or Western) to accomplish requirements in courses tailored to Air Reserve Component crew member availability and experience. Instructors will be provided through Military Airlift Command's Aircrew Training System contract.

Shortfalls

As I mentioned last year, survival in a hostile environment is paramount to successful completion of our missions. Even in peacetime, our airlift missions take us into a third world environment dominated by heavily armed drug cartels and terrorism. Increased shoulder launched heat seeking missile threats make airlift defensive systems critical to the survival of crews and equipment. Monies provided by the Congress in prior years are allowing us to continue equipping our C-130 aircraft with a passive missile warning receiver and a chaff/flare system. Upgraded electronic countermeasures (ECM) capability in our fighter force is also vital to survival in today's electronic battlefield. Through your efforts, we are in the process of receiving ALQ-131 ECM pods for our F-16's. As a viable member of the Total Force, our goal must be for each Air Force Reserve fighter aircraft to be equipped with state-of-the-art ECM equipment. We will continue a concerted effort to provide our crews the protection needed for peacetime training and wartime survivability.

Exercises

The Individual Ready Reserve (IRR) is a manpower pool of individuals who have had previous military training (either on active duty or in the Selected Reserve) and have a remaining military service obligation. These members are not assigned to units and have no participation obligation. However, they are available to the Air Force in any mobilization scenario. To insure the availability of these members and assess their capability to perform their wartime duties, the Secretary of Defense directed the Services to order these members to active duty each year. In 1989, we accomplished this objective by recalling IRR members in critical wartime shortage skill areas in a manner similar to the actual process that would be used during mobilization. Under this plan, we identified selected members of the IRR with critical specialties, moved them to a Technical Training Center for processing, evaluated their skill retention, and identified follow-on training requirements. This exercise provided an excellent assessment of the actual backfill capability of this important mobilization resource.

Our units provided 40,000 participants in support of Joint Chiefs of Staff (JCS) and major command (MAJCOM) exercises and activities, both overseas (VOLANT OAK and AHUAS TARA in Central America, REFORGER in Europe and TEAM SPIRIT in the Pacific) and within the continental United States (CONUS). These participants represented Aerial Port, Combat Logistics Support, Enroute Maintenance, Civil Engineering, Operational Flying, Communications, Medical, Security Police, and Combat Support disciplines. The effort culminated in 1,147 unit/team deployments, of which 653 were within CONUS and 494 were overseas.

OPERATIONAL ACHIEVEMENTS

The Air Force Reserve continues to make outstanding contributions to the Military Airlift Command (MAC) world-wide airlift system. No matter where the United States Air Force flies, from Antarctica to Africa, from Iceland to Panama, the Air Force Reserve is there.

In FY 1989, our part-time airlifters flew over 63,600 hours in direct support of MAC's operations around the world. This included exercise support missions, Joint Airborne/Air Transportability Training and Special Assignment Airlift Missions, as well as normal channel cargo missions.

The Air Force Reserve supported both military and civilian search and rescue requests with support for the space shuttle, medical evacuations, strip-alert and incidents involving aircraft, ships, motor vehicles and personnel on foot. Our three rescue units and our helicopter-equipped special operations unit flew 309 hours in 66 missions and were credited with 28 saves/assists.

In 1989, the Air Force Reserve showed it could deploy rapidly and efficiently, and fight side-by-side with our active duty counterparts. This was evident in the major role we played in the recent Panama contingency operation, JUST CAUSE, which shows there is no lack of volunteerism among Reservists. Our support covered a broad spectrum of combat and supporting activity including strategic and tactical airlift, aerial refueling, aeromedical evacuation, gunship surveillance and interdiction, and base operating support. Reserve associate crews were on the strategic airlift C-141s that air dropped initial forces into Panama, and they were on the tankers that supported them. Our unit equipped C-5 and C-141 units flew airland missions to Panama as well as supported CONUS airland requirements, while our tactical C-130s provided airland support within Panama. Reserve AC-130 gunships were in Panama when JUST CAUSE began, and they were responsible for destroying several significant targets during the operation. Our aeromedical crews flew on the C-141s that brought casualties out of Panama, and our ground support personnel helped recover and generate these and other airlift aircraft. The Panama operation was an excellent example of how our Total Force Policy can work to support a short-notice contingency operation without the need for a formal mobilization of reserve personnel.

Additionally, in September of last year, the Air Force Reserve was called upon to provide airlift support of the southeast after Hurricane Hugo. We flew 26 airlift missions, 44 weather reconnaissance missions and aerial spray sorties which covered one half million acres in South Carolina during Hugo.

In October, the Air Force Reserve flew five missions carrying 149 tons of cargo and 97 people to California in support of the San Francisco earthquake relief effort.

We also participated in the humanitarian response to the Armenian earthquake with four strategic airlift missions. Two each C-141 and C-5 missions carried a total of 212 tons of equipment and supplies; and 147 passengers.

We have supported the national drug interdiction program with aerial surveillance, air transportation, and technical support, by volunteering in every way, shape or form we can. Our 71st Special Operations Squadron assists law enforcement agencies on request with helicopter transportation, surveillance, communications support, and training of personnel in the use of night vision equipment and clandestine tactics. Reserve intelligence personnel have provided extensive support to NORAD, assisting them in activating their counter narcotics Tactical Intelligence Cell. Reservists from a variety of units dedicated over 1100 days of active duty to this project that will enhance NORAD's ability to support these sensitive operations.

We are actively seeking any and all ways to help in the drug war. Each of our unit commanders has been tasked to offer recommendations as to how his or her unit could help in this fight. We will eagerly offer any assets we have to agencies seeking our assistance.

Unique Reserve Missions

The Air Force Reserve has several unique missions. We provide 100% of the DOD fixed-wing, large area aerial spray capability. Last year, we flew weather reconnaissance during Hurricane Hugo as well as during other less severe storms. Additionally, along with the Air National Guard, we provide 100% of the Air Force augmentation to the airborne fire fighting capability of the US Forest Service with our Mobile Aerial Fire Fighting Systems.

APPROPRIATIONS

The Air Force Reserve appropriations finance operating expenses, civilian and military pay, facility construction, and equipment modernization. The following table depicts our current funding profile:

	FY 1989	($ 000) FY 1990	FY 1991
Reserve Personnel, Air Force (RP,AF)	654.2	662.8	684.0
MilCon, USAFR	70.6	46.2	37.7
O&M, USAFR	1072.5	1008.5	1042.5
Reserve Equip, USAFR	227.0	64.0	45.6
Total	2024.3	1781.5	1809.8

The Reserve Personnel, Air Force (RP,AF) appropriation finances the military personnel costs of the Air Force Reserve. It provides for pay and allowances to train our force during regular training, special tours of active duty, and while in school. Funding is also needed for the full-time Reservists support of the Reserve program, the Junior and Senior Reserve Officer Training Corps (ROTC), and the Armed Forces Health Professions Scholarship Program. This appropriation grows $21.1 million in FY 1991, but real program growth is zero (0.00%).

The major RP,AF adjustments in FY 1991 are for the activation of two F-16 A/B units at Carswell and Bergstrom AFBs in Texas ($+12 million), the increased strength of several C-141B units ($+3.5 million), and an increase in medical personnel to meet wartime requirements ($+2 million). The remaining increases are required for various training requirements designed to assure that we are able and ready to perform our mission at any time. Major program reductions include the conversion from F-4E to F-16A/B aircraft at Carswell and Bergstrom AFBs, ($-10.2 million); a decrease of four C-130B aircraft at Peterson AFB, Colorado ($-1.5 million); decrease of one AC-130A for Special Operation Forces at Duke Field, Florida ($-1.1 million); two Air Rescue and Recovery Service aircraft; and a reduction ($-0.5 million) of non-prior service personnel ($-3.4 million).

The Military Construction, Air Force Reserve (MILCON, USAFR) appropriation provides for acquisition, design construction, expansion, rehabilitation and conversion of facilities for the training and administration of the Air Force Reserve. The FY 1991 appropriation includes $33.0 million for major construction projects in 17 states, $1.4 million for minor construction, and $3.3 million in planning and design funds. Our FY 1990 MILCON appropriation was 35% less than our FY 1989 appropriation. Further, our FY 1991 request is 18% less than our FY 1990 appropriation, a net reduction of 53% of our FY 1989 program, considering both years. With full funding of both FY 1990 and 1991 programs, this reflects a dramatic decreased funding trend. I feel the Air Force Reserve must sustain adequate support, resources and high state of readiness, especially in light of possible regular Air Force cutbacks.

The Operation and Maintenance Air Force Reserve (O&M, USAFR), appropriation finances the day-to-day operating expenses of Reserve units and supports the primary mission of the Air Force Reserve which is to develop, train, and maintain combat ready units and individuals required to augment the active forces during wartime and other emergencies.

The major portion of this appropriation is for must pay requirements such as civilian personnel and military technicians, aviation fuel and supplies which support the approved flying hour program, and depot level aircraft/engine repair and maintenance.

This appropriation increases in FY 1991 by $34.0 million, but actually reflects a program reduction of 0.9%. As depicted in the preceeding table, we experienced a significant decrease in FY 1990 O&M from FY 1989. Also FY 1991 O&M funds required for facilities, maintenance and repair continue to decline. FY 1991 funding represents a decrease of 58% from actual FY 1989 expenditures.

O&M increases in FY 1991 are primarily related to price growth ($+63.7 million); F-16 Tactical Fighter conversions ($+15.8 million); conversion to our second C-141 equipped unit ($+9.0 million); and the annualized impact of expansion to ten aircraft at each of the three KC-135 locations ($+4.6 million). Major program reductions include F-4E tactical fighter conversions to F-16s with a net loss of six aircraft ($-21.2 million); the transfer of Special Operations Forces resources to a Defense Agency Account ($-20.0 million); C-130E conversion to C-141s and the loss of four C-130Bs to backup inventory ($-7.5 million); reduced depot level aircraft maintenance ($-2.4 million); and decreased funding for facilities maintenance and repair ($-2.5 million).

The Reserve Equipment Appropriation (Reserve Equipment, USAFR) is for the procurement of aircraft, vehicles, communications equipment and/or other equipment. The FY 1991 request of $45.6 million includes $10 million for the continuing modernization of our F-16 tactical fighter force with new F-100 PW-220E engines and improved avionics reliability, $6.6 million for C-130 self-contained navigation systems and defensive systems, $5.0 million for miscellaneous equipment and $24.0 million for one C-130H aircraft.

CONCLUSION

In summary, the combat readiness and war fighting capability of the Air Force Reserve are vital elements within the Total Force. Modernization and readiness training continue to be our primary concerns as we strive to maximize our ability to defend this nation during a time of reduced defense spending.

We are pleased with what we accomplished in 1989, and proud to be a part of the best Air Force in the world. We owe a special vote of thanks to our families and employers who supported the men and women of the Air Force Reserve and made their achievements possible. We heartily acknowledge the combined efforts of the Reservist, family, and civilian employer which enable us to provide our services to the Air Force and to our country. Without this teamwork, the absences from home and office, attendance at frequent training activities, and all-hour availability would be impossible to endure. Finally, the superb support Congress has seen fit to provide to Reservists, their families, and employers is essential, reassuring, and gratifying. I remain confident this momentum will prevail in the 101st Congress.

This concludes my prepared statement, Mister Chairman. I am ready to respond to your questions.

FORCE STRUCTURE REDUCTIONS

Senator INOUYE. I thank you very much, gentlemen.

Mr. Secretary, for 2 years in a row this committee and the Congress has disapproved force structure reductions in the Guard and Reserve, and I note that in the fiscal year 1991 budget you are again proposing the same type of reductions. Why do you continue to propose reductions when apparently the Congress has been opposed to it?

Mr. DUNCAN. Mr. Chairman, we see this—the fiscal year 1991 budget—as a transition budget with respect to our force structure recommendations to the Secretary and our force mix recommendations; that is, how much Active and how much Reserve. Much of the planning for the future force structure is ongoing right now. The total force policy study is not due—the final result of that is due in December. We are trying to speed it up. Having said that, many of the recommendations we make on future budgets will reflect the recommendations to the Secretary of this Total Force Policy Study Group.

With respect to the fiscal year 1991 budget, the Secretary was simply faced with budgetary imperatives to make major cuts. We take the view that everything should be looked at.

Having said that, I am a forceful advocate of the proposition that Reserve forces, as the chairman pointed out, are a very good buy for the American taxpayer. But when you are having to make the kind of cuts that we had to make in recent months, the Secretary simply established his priorities and made the decisions to make those particular budgetary cuts.

I would not read into those cuts any type of long-term implication. I can assure the committee that the Secretary has not made any final decisions on the force structure for the Reserve components for the outyears. That issue is still undergoing vigorous debate within the Department.

Senator INOUYE. You are the vice chairman of the study. Do you have any expectations as to the recommendations you will be making?

Mr. DUNCAN. In the context of the type of force mix and along those lines?

Senator INOUYE. Yes.

Mr. DUNCAN. Well, the answer is "No." I know what the goals are as set forth in the charter that the Secretary established. We are very familiar with the legislation—the conference report and the legislation that established the requirement for the study, and we are working as fast as we can. Thus far, we have already had major technical conferences on costing, on manpower, personnel, and training.

We are meeting with the Commanders in Chief this afternoon. We have had several meetings of the study group, so work is progressing at a rapid pace. I would not presume to know the outcome. I will assure the committee that the Secretary has not told us to come up with a particular result. Indeed, he has taken a personal interest in it and directed us to reexamine the issue from A to Z and make our recommendations.

My personal view is that we have an awfully big charge and an awfully small amount of time to complete it, but we are going to complete it, and we hope to have our recommendations to the Secretary sooner than the law requires. How soon, I am not sure, nor do I know the precise nature of the final recommendations yet.

RECRUITING AND ADVERTISING

Senator INOUYE. Your fiscal year 1991 budget request calls for $719 million for recruiting and advertising. Now, I believe it would be safe to anticipate that there will be reductions in the Active force, and as such you may not need to spend so much for recruiting and advertising—or is my assumption wrong?

Mr. DUNCAN. I think I would prefer to defer to the Chiefs on that issue, since they primarily control the recruiting and advertising budgets for their respective services. Certainly we are going to be looking at the issue. Are there opportunities to take what we refer to as the human capital—those first-class soldiers, sailors, airmen, and marines who may be coming off active duty? Are there opportunities for them in the Reserve forces?

Clearly, what we want is a high-quality Reserve force in all of the Reserve components. That does not necessarily translate into everyone coming off active duty having a place in the Reserve forces, but the idea is to manage our recruiting and advertising with what we think we can obtain from the active duty reductions in force structure to end up with a Reserve force that is as high as it is today.

So we will be looking at it, but I think I would defer to the Chiefs on the specifics of the advertising and recruiting budgets.

FISCAL YEAR 1990 GOAL

Senator INOUYE. Well, if I may ask General Scheer, I believe your statement noted that you have already met the fiscal year 1990 goal?

General SCHEER. Yes, sir.

Senator INOUYE. You will need that much more money to meet the 1991 goal?

RECRUITING FORCE REDUCTIONS

General SCHEER. I think we will see a reduction in our recruiting force, Mr. Chairman. We are looking at that now, particularly in some of the city areas. At least we need to move some of our recruiters from place to place. I think we will see an overall reduction and/or moving some of our line recruiters to the medical areas. We still have some work to do in the medical area and that recruiting problem is not going to go away.

But the short answer is, "Yes," we are going to be reducing our recruiting force.

Senator INOUYE. General Ward?

General WARD. Mr. Chairman, the short answer here is that there will be reductions in the recruiting force. I mentioned in my testimony we are at strength right now. We had to reduce our end strength by 9,500 this year to comply with sequestration and we are having no increases this year with possible force structure reduction changes under consideration for fiscal year 1991.

We are at full strength in all but a few categories of people, most of them in the medical area. However, this fiscal year we expect to be at full strength for the troop program unit authorized physicians, and we are very close to having all our authorized nurses. We could achieve full strength for nurses if RPA moneys was unrestrained.

PERSONNEL SHORTAGES

There are a couple of shortages—91 C's, licensed practical nurses, the enlisted medical military occupational specialty, which, along with a few other medical specialty shortages requires a considerable amount of advertising support. Beyond that, our major concerns are retention and reshaping the force based on both geography and available specialties.

Senator INOUYE. Admiral Taylor?

Admiral TAYLOR. Mr. Chairman, we have only very minor end strength reductions in fiscal years 1990 and 1991, primarily associated with infrastructure adjustments. We will, however, have some additional frigates transferred into the Naval Reserve. There will be some growth associated with those frigates, and we will take a look at that, but we do not have the types of adjustments that would necessarily obviate the need for some recruiting dollars.

Senator INOUYE. General Looney?

General LOONEY. Yes, sir. Like the Navy, sir, in our 1991 budget request we did not have any serious end strength reductions in the Reserve. Therefore, my advertising budget would, I feel, have to remain about the same for 1991. Once the force structure has been developed for 1992 there might be some decrease that we could take.

Mr. DUNCAN. Mr. Chairman, if I could add one caveat to that, I think what I would like to do is to see what we do with the force structure in the outyears over the next year or two, because it is imperative that we retain the high quality we already have in the Reserve forces.

I cannot predict today with certainty what the flow from the Active force reductions will be, so it may be that we will need to retain some of these recruiting funds, and it is a little premature to make clear decisions about that.

RIFLE PRACTICE IN PACIFIC

Senator INOUYE. Thank you.

General Ward, this past January I visited Samoa with the subcommittee. At that time I was surprised to note that although there was a firing range, a practice range, the Army reservists on that island could not do any rifle practice. They had to travel 2,300 miles to Hawaii to do rifle practice. What is the situation there?

General **Ward**. Well, Mr. Chairman, the current situation is that there is a pending contract for the use of the existing civilian-owned rifle range on American Samoa that will be finalized and prepared for execution by May 1, a week from today. The contract for fiscal year 1991 has been prepared and according to WESTCOM yesterday afternoon, it should be executed in sufficient time for continuous execution and use of the range through the next fiscal year.

Construction of a rifle range on American Samoa does not appear to be a viable option at this time because the Government owns no suitable land and there is none available for sale. Consequently, we will be renting a civilian-owned range. We will avoid a cost of shipping people to Hawaii for firing that is roughly equal to the cost of renting the range.

Senator **Inouye**. General, I gather that funds to provide firing practice for the service are controlled by the Active Army. Do you not think you should have control over that?

General **Ward**. Mr. Chairman, we have looked at the issue of Army Reserve command and control and we think the accountability of the three appropriations that are charged to the Office of the Chief, Army Reserve would be more effective where there is also accountability for the programming, budgeting, and execution. It is now somewhat fragmented and the Army is studying this issue. Nevertheless, I personally believe that vesting command and control of the Army Reserve in the Chief, Army Reserve would improve both accountability and execution. Therefore, it should improve both the training of the Army Reserve and its viability as an effective war-fighting force.

HURRICANE RECONNAISSANCE MISSION

Senator **Inouye**. General Scheer, ever since 1986 it seems like every time the defense bill is taken up, the matter of hurricane reconnaissance mission is also discussed. What is the status of the Air Force Reserve, assuming this mission?

General **Scheer**. Sir, there are resources in the fiscal year 1991 budget for the Air Force Reserve to assume the mission in totality beginning, I believe, in April 1991. The money is in the budget. We are prepared to execute and are only awaiting the green light from the Secretary of Defense at this time.

Senator **Inouye**. It appears that the Secretary will not seek to transfer or terminate this in fiscal year 1992; is that correct?

General **Scheer**. The Secretary will not seek to terminate the negotiations, is that what you are asking?

Senator **Inouye**. He does not agree.

General **Scheer**. As I understand it, he has stated that he was seeking negotiations with Commerce to pick up that mission in the beginning of 1992. Now, I do not know whether Commerce has come back with an answer on that or not.

I do know, however, that the Air Force does have funds in its budget for 1991 to pick that mission up or give it to the Air Force Reserve and, that as far as we are concerned at this time, we are prepared to do that and can do that as soon as the green light is given.

Senator **Inouye**. Do you think you will get it soon?

General **Scheer**. I understand sometime in May is when the answer from Commerce was to be given back to Defense, and I would assume then that based on that we will know in the next few months.

Senator **Inouye**. It would seem that every member of this committee is in favor of your organization over the Commerce Department. I hope you will prevail, sir.

General **Scheer**. Thank you, sir.

MORE SHIPS IN NAVAL RESERVE

Senator **Inouye**. Admiral Taylor, the Reserve is projected to grow by 10 ships between 1989 and 1991, and former Secretary Lehman suggested that force structure be retained by placing more ships in the Reserve, such as the *Iowa* and *New Jersey*. Do you believe that more ships can be moved from the Active Navy to the Navy Reserve?

Admiral **Taylor**. Mr. Chairman, I think I would be less than honest with you if I told you that we could comfortably accept more ships in the Naval Reserve than what is presently planned. At the end of fiscal year 1990 we are to be at a level of 52 ships, and at the end of fiscal year 1992, 62 ships as it stands right now.

The difficulty with putting ships in the Naval Reserve is twofold. One, is you have to put a ship where there is pier space and facilities, both maintenance facilities and training facilities available for that ship to utilize. The second, and probably the most difficult portion, is that the reservists do not necessarily live where the ships are.

When a reservist joins the Naval Reserve, he may live anywhere in the United States. So, you rely primarily within the local area, local being within a reasonable commuting distance of 100 miles for those rates and ratings that are necessary to man that ship. We believe that we can man the ships that are currently programmed to come into the Naval Reserve, although toward the end of 1992 and 1993 it may be very difficult for us, and it may actually involve making some home port adjustments. But beyond those currently programmed I think it would stretch our capabilities to the limit.

Senator **Inouye**. Can you provide for the record the operation and support costs for Navy Reserve frigate versus an active Navy frigate?

Admiral **Taylor**. Yes; I could provide that for the record.

[The information follows:]

The cost to operate, maintain, and man a frigate in the Naval Reserve versus an Active Navy frigate, based on fiscal year 1991 dollars, for 1 year is as follows:

[In thousands of dollars]

	Active	Reserve
Operations	4,242	3,949
Maintenance	7,346	7,457
Personnel	9,171	7,591
Total	20,759	18,997

SHIPS TAKEN IN

Senator **Inouye**. Are you taking in the oldest ships as the new ships come in?

Admiral **Taylor**. We are taking in both types of ships, sir. The ships that are programmed to come into the Naval Reserve now are the 1052 FF's. We already have in the Naval Reserve the FFG7's, which is the newer class of frigate, so we would have it across the spectrum. We do not have the types of ships that have historically been allocated to the Naval Reserve that you might recall of 20 years ago of the very oldest and most decrepit.

Today, thanks to the Secretary of the Navy's policy of horizontal integration, we are receiving modern equipment both on the surface side of the Naval Reserve and the aviation side of the Naval Reserve.

Senator **Inouye**. General Looney, you indicated in your statement that your men would be able to carry out your mission as long as they are properly equipped and armed. Are you satisfied that the Marines are properly armed and equipped?

General **Looney**. Yes, sir; the Secretary of the Navy, of course, has the horizontal fielding of equipment. We get our fair share, as procurement dollars are available, to put that new equipment in the Marine Corps Reserve, sir.

Senator **Inouye**. So you have no special requests?

General **Looney**. No, sir.

Senator **Inouye**. Well, I thank you all very much for your statements and responses, and we appreciate your taking the time today to appear before us. Thank you very much.

ADDITIONAL COMMITTEE QUESTIONS

We will submit the balance of the questions for response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO SECRETARY DUNCAN BY SENATOR INOUYE

GUARD AND RESERVE FORCE STRUCTURE

QUESTION: Some people think the Total Force Policy study required by section 1101 of the FY 1990 Defense Authorization Act will have the final word on what the active/reserve force mix should be.

Secretary Duncan, what are your expectations for this study? Will it provide a definitive guidance on the appropriate mix of Guard and Reserve forces?

ANSWER: The Total Force Policy Study is an important part of the orderly process we are engaged in for the effective restructuring of our Armed Forces in the face of a rapidly changing international security environment. The Total Force Policy Study Group is addressing the crucial force structure/force mix questions facing the Department. We have established a professional staff which is actively supporting the Study Group.

We believe that the Study Group will be able to develop recommendations that will take the form of policy guidance by the Secretary of Defense to the Services as they make program and budget decisions over the coming months and years.

Question: It has been reported that the Army POM (Program Objectives Memorandum) is proposing major, proportionate reductions in the Guard and Reserve. Could you explain your role in reviewing and taking issue with the Army's plan?

Answer: The Department will conduct a formal review of the Army proposal this summer. I will have the opportunity to fully participate in each phase of this review process. I will attend all Defense Planning Resources Board meetings in which the Army plan is discussed, not only in my role as the Assistant Secretary of Defense for Reserve Affairs, but also as the Vice Chairman of the Total Force Policy Study Group.

GUARD AND RESERVE RECRUITING AND ADVERTISING

QUESTION: Secretary Duncan, according to your testimony, the Reserve components will access approximately 91 thousand non-prior service and 120 thousand prior-service enlisted personnel in 1991. To retain the investment that the Government has made in so many dedicated young men and women who will be leaving the active components, should not the Guard and Reserve increase their prior-service accessions? What would be the impact of increasing prior-service accessions?

ANSWER: As the Department considers the likely drawdown in the size of the active components it is imperative that we take advantage of the pre-trained manpower resources potentially available to the Reserve components, wherever possible. There are short-term and possibly long-term benefits from maximizing their use. The prior-service, non-prior service mix for our Reserve components is one of the many things we will be evaluating in our Total Force Policy Study that is under way in the Department. While all of the impacts may not yet be known, there are certain facts that will be considered. During the period while we are reducing the size of the active forces, there will be increased numbers of prior-service personnel available to serve in the Reserve components. Conversely, as the active forces decrease in size and stabilize at new, lower levels, there will be fewer numbers leaving the active forces in a given year than during the drawdown. The prior-service pool shrinks and, along with it, the training base may shrink. If we assume the requirements for the Reserve components remain constant, they may, in the not too distant future, have to increase their recruiting and training resources to meet their needs. This dynamic will receive our careful attention.

QUESTION: For the record, please provide a break-out of the Guard and Reserve recruiting and advertising budgets by component and appropriation. Also, please include full-time support (by type -- AGR, etc.) employed in this activity.

ANSWER:

RECRUITING & ADVERTISING
by Appropriation
($ in Millions)

COMPONENT	O&M Account	Personnel Account
ARNG		
Recruiting	31.4	157.2
Advertising	13.8	
USAR		
Recruiting	32.9	99.5
Advertising	22.9	
USNR		
Recruiting	13.1	63.2
Advertising	3.4	
USMCR		
Recruiting	4.2	30.7
Advertising	2.4	
ANG		
Recruiting	3.1	24.9
Advertising	2.6	
USAFR		
Recruiting	3.4	17.2
Advertising	3.8	

FULL TIME SUPPORT TO RECRUITING

COMPONENT		
ARNG		
	AGR	3,810
	Military Technicians	79
USAR		
	AGR	2,714
	Dept of Army Civilians	182
	Active Component	4
USNR		
	AGR	1,604
USMCR		
	AGR	315
ANG		
	AGR	547
	Dept of AF Civilians	1
USAFR		
	AGR	350
	Dept of AF Civilians	55

FULL-TIME MANNING

QUESTION: Secretary Duncan, the reserve components are manned by both full-time active duty Guard and Reservists and civilian/military technicians. Apparently, these two systems do not mesh well -- it seems as though the Congress is being asked annually to adjudicate a feud between the Hatfields and McCoys.

-- Mr. Secretary, what are your views on this issue? Will these two groups ever reconcile their differences? Would any of the other witnesses like to comment on this issue?

-- The FY 1991 budget decreases civilian technicians but increases AGRs. Civilian/technician groups suggest that the AGR program is unnecessary and point to the large number of AGR's in administrative positions.

-- Secretary Duncan, why do we need to use AGR's in administrative positions at headquarters?

ANSWER: We actually have four types of full-time support personnel within DoD: Active Guard/Reserve (AGR), military technicians, active component and pure civilian. All four have a place in the DoD

Reserve components. Current DoD guidance directs the Reserve components to use the most cost effective form of manpower consistent with job and readiness requirements. Consequently, there are significant differences in the utilization of full-time support personnel in the programs of the Military Departments. These differences emanate from the unique structures and functional needs of each component as developed over time.

There are valid reasons for the utilization of all four types of full-time support personnel: (a) Military technicians provide a degree of stability not generally found in the other types of personnel. They are particularly valuable in the maintenance areas where job longevity translates directly into higher skill proficiency. (b) Active Guard/Reserve members utilization is in positions which are more uniquely military. Commanders have more flexibility in the utilization of the full-time military Active Guard/Reserve members. This is essential for certain missions requiring immediate military readiness and in jobs such as recruiting, where military status is needed. (c) Active component members are occasionally needed to fill positions where active component experience can enhance the readiness of the reserve units and individuals. Normally these are in training type positions. (d) Civilian members are utilized wherever the position does not require military experience or affiliation.

While general rules are established for the fill of positions by type of personnel, it is important that each position be evaluated on a case by case basis. To improve this process, we have contracted with RAND Corporation to study the requirements process in detail. Based in part on the RAND effort, we will provide additional guidance on the full-time support personnel mix decision process.

With respect to the use of Active Guard/Reserve members in administrative positions, I would note that, as shown in our recent report to Congress on the full-time support program, over 72% of the AGR force serves in a direct unit support role. This portion of the force assists the Reserve component commander by performing a myriad of support tasks essential to unit operations thus permitting the part time members to focus their limited training time on the training mission.

The remainder of the AGR force is engaged in activities above the unit level which require a member on active duty with the unique RC expertise that the Active Guard/Reserve member can provide. These functions cover a spectrum from recruiting and retention duty to service at headquarters worldwide where they share their RC experience and expertise with both active and reserve headquarters organizations developing total force policy and guidance. Although only a small percentage of the total Full-Time Support Force, this later role is critical to the integration of the Active and Reserve Components and the smooth day to day administration of the Components as a whole.

QUESTIONS SUBMITTED TO SECRETARY DUNCAN BY SENATOR BYRD

RELIANCE ON RESERVE COMPONENTS

QUESTION: It is generally agreed that some reserves would have to be mobilized to deal with all but comparatively small military contingencies. At a Senate Armed Services Committee hearing, in 1986, General John A. Wickham, the Army Chief of Staff, stated that any "multi-divisional commitment will require the call-up of some Reserve Component forces." There are no indications that this situation has changed. Questions have been raised about the degree of risk involved in such reliance on the reserve components -- both in terms of reserve readiness and the political decision and strategic warning required to mobilize. On the other hand, it has been argued that the reserves represent an excellent investment of defense resources, given constrained budgets, and that such extensive reliance on the reserves will force the Government to Government to consider public support for any military action it might undertake. The Administration apparently plans to vary the overall proportion of defense resources devoted to the reserve components over the next several years. To what extent can more reliance be placed on the reserves, given the virtual impossibility of a massive Soviet/Warsaw Pact attack against NATO forces in Western Europe, in light of recent political developments in Eastern Europe? Please explain whether any consideration is being given to devoting comparatively fewer defense resources to the reserve components, given the likelihood of U.S. forces having to respond quickly to Third World contingencies on an extremely short-waring basis, with little time for either reserve mobilization of the reserves.

ANSWER: A basic tenet of the DoD Total Force Policy has been and will remain that National Guard and Reserve units and individuals constitute the primary augmentation of the Active component in military conflicts. As alluded to by President Bush in his recent National Security Strategy, the United States has never maintained active forces in peacetime that are adequate for all possible contingencies. While it is not realistic to think that every Reserve unit will be the absolute equal in terms of readiness and capability of the best Active units, many Guard and Reserve units (with a mix of part-time and full-time personnel) are fully capable of being rapidly mobilized and deployed.

The Department has consistently sought a cost-effective way to meet world-wide contingencies. This has resulted in our maintaining the minimum active force necessary in peacetime to meet national security policy, military strategy and overseas commitments. Above that level, the plan is to support military contingencies with Guard and Reserve units and manpower when they can be available and ready within planned deployment schedules on a cost-effective basis.

President Bush has stated that the nature of missions given reserve forces are likely to be adjusted in response to changes in the security environment. As you are aware, in compliance with the FY 1990 National Defense Authorization Act, Secretary Cheney has convened a Total Force Policy Study Group, whose responsibilities include reviewing and making recommendations on the assignment of missions to the Active and Reserve components. In this era of shrinking Defense resources and reduced threat, it may be possible to transfer certain missions, previously assigned to Active forces, to Reserve units, especially if significant cost savings can be demonstrated. Other missions must remain with the Active forces. It would be premature to comment on specific force structure adjustments until the Department has completed a thorough review of potential force mix alternatives.

Despite pending reductions in Defense resources, these resources will continue to be allocated first to those units, whether Active or Reserve, that will be deployed first to a conflict. This DoD policy of "First to fight, First to equip" requires that all units, regardless of component, be resourced for equipment, according to the sequence in which they are required to be in place to perform their wartime mission. This policy ensures that the Reserve components will continue to receive a share of Defense resources that is proportional to the readiness requirements for the missions assigned.

Question: I am advised that the recommendations of the Department of Defense Total Force Policy Study Group, of which you are Vice Chair, would be used in developing the force structure and the Active, Guard and Reserve Force mix in the future. Yet, press reports indicate that the Secretary and Chief of Staff of the Army have already made their decisions on the FY92 to

1997 programs. Has the Study Group provided the Secretary and Chief of Staff with any preliminary guidance? Are the publicized force decisions in line with what you anticipate the Study Group to recommend? If decisions are being made now, is the Group just going through the motions of conducting the study?

Answer: Despite speculation in the media to the contrary, the Secretary of Defense has not made any final decisions on the future mix of Active and Reserve Forces. The current schedule calls for the Secretary of Defense to receive an interim report from the Total Force Policy Study Group by June of this year. I am convinced he will issue appropriate guidance to the services after the interim report is reviewed.

Question: Are you convinced that the entire Defense community--including the Service Chiefs--will seriously consider the results of the Study? In other words, do you believe the Defense Community will make an effort to effectively employ the Guard and Reserve in order to make significant reductions in the Defense budget as a result of the study?

Answer: The Secretary of Defense considers this study one of the most significant actions taking place in the department today. After he has received the recommendations of the Total Force Policy Study Group and formulated his decisions, I am convinced the entire defense community will respond to those decisions.

Question: Do you believe the Study Group's recommendations are getting a fair hearing in the programming budget deliberations in the Pentagon?

Answer: The Planning, Programming, and Budgeting cycle continues to function within the Department of Defense. Since issues involving the Total Force Policy will be subject to various reviews in the weeks and months ahead, the work of the Study Group will necessarily be integrated into that cycle during the development of the FY 1992-93 budget. I anticipate that the defense budget, which the President submits to Congress next January, will reflect those recommendations of the Study Group that are approved by Secretary Cheney.

QUESTIONS SUBMITTED TO SECRETARY DUNCAN BY SENATOR D'AMATO

Question: As forward commitments disappear and the Army is increasingly forced to emphasize the rapid deployment of CONUS-based forces, what impact will Guard and Reserve round-out brigades have on readiness? If readiness will suffer, does the Army have any plans to eliminate Guard and Reserve round-out brigades, especially from the light divisions?

Answer: The Total Force Policy Study Group is addressing these types of critical force structure/force mix questions. As each of the Military Services uses and relies upon its Reserve component(s) in different ways, it is very difficult for me to predict today precisely what effect the yet undetermined future recommendations of the Study Group to the Secretary of Defense may have on the future mix and nature of our Reserve Forces.

FORCE STRUCTURE CUTS

QUESTION: The 50th Armored, 26th Infantry and 42nd Infantry Divisions are apparently going to be consolidated into one division. Could you provide me with the details of, and timeline for, this consolidation?

ANSWER: It is premature for me to discuss this proposal pending the final findings and recommendations of the Total Force Policy Study Group. Strength adjustments after Fiscal Year 1991 will be dependent in important part on principles guiding force structure development and the allocation of missions among the components of the Total Force, which are being reviewed as part of the ongoing Total Force Policy Study.

USNR EQUIPMENT

QUESTION. THE FY90 Appropriations Conference Report directed the expenditure of $55 million in FY89 funds for P-3B modernization. What progress has been made in expending these funds? To what purpose?

ANSWER. Of the original $55M, $27M is being executed. Congress directed the balance of $28M be frozen until completion of the Improved Processing and Detection System (IPADS) Certification-or at least until August 31, 1990. Naval Air Systems Command program management personnel are doing as much advance work as possible on Engineering Change Proposals (ECP) for two different scenarios - one for IPADS procurement, the other for 99 channel receivers. This advance effort is necessary since the obligation window for these funds will expire September 30, 1991. It is anticipated that this advance work, given a release of funds no later that August 31, 1990, will enable execution on time either way (IPADS or 99 channel receivers).

The permitted execution of the $27M is well under way. The ECP for the Color Weather Radar has been approved; the prototype has been installed in a P-3B, and is undergoing testing; and $6.4M has been committed for procurement of this item. The ECP for the Radar Monitoring System is now at NAVAIR PMA 200, and should be presented at the next Aircraft Configuration Control Board, with a cost estimate of $11.9M. Two ECPs are being developed for the AN/ALR-66 Electronics Surveillance Measures equipment, with a cost of $9.5M.

QUESTION. The FY89 Authorization and Appropriation reports required the Navy to redirect $14.2 million to fund an upgrade of the SQR-18 towed array. What progress has been made in developing the upgraded version?

ANSWER. The Navy awarded a contract in December 1989 to EDO Corporation, College Point, New York, to provide two prototype upgrade AN/SQR-18A(V)3 systems. A Preliminary Design Review was conducted by the Navy on May 9-10, 1990 which indicated feasibility of the design. Navy will pursue the design within the limits of available funding.

QUESTIONS SUBMITTED TO GENERAL WARD BY SENATOR BYRD

COMMAND AND CONTROL OF THE ARMY RESERVE

QUESTION. At last year's hearing, Chairman Inouye was kind enough to pose a question to you on my behalf regarding your personal view on the issue of command and control of the Army Reserve, since the official Army position was to be due in the form of a report later in the year. In response to my question, you indicated that you believe that it would be possible to restructure the Army Reserve in order to eliminate or at least reduce some of the layers of command and control that impede the full realization of efficiency and effectiveness in administrative and resourcing areas. You further stated that you were confident that the Army Reserve could profit from the results of the study and that the study would enable you to evaluate a number of alternatives for improving the viability and readiness of Army Reserve troop units.

Subsequently, the conferees in their action on the FY 1990 Defense Appropriation bill, included report language directing the Secretary of the Army to prepare a plan to increase the role of the Chief of the Army Reserve, consistent with the command, planning and management responsibilities of the Chief of Air Force Reserve and the Chief of the National Guard Bureau and requiring the Secretary of the Army to submit a report by March 15, 1990, which delineates what needs to be accomplished in order to provide the Chief of Army Reserve command authority and how and when the transition should be implemented.

I then wrote to Secretary Stone on December 1, 1989, citing the report language and requesting a status report leading to full implementation of the report language. So far, I have not received a substantive response from Secretary Stone. Can you bring me up to date on this matter?

Do you still hold the same views you conveyed to the Committee last year?

ANSWER. On April 25, 1990, Secretary Stone met with Congressmen Montgomery and Murtha to discuss Army Reserve command and control. During this meeting, Secretary Stone explained that decisions resulting from the ongoing Total Force Policy Study and the Vanguard Study, which is examining Army management headquarters would be used to resolve issues associated with Army Reserve command and control. Mr. Stone subsequently directed that the Chief, Army Reserve be given responsibility for allocation, distribution, and control of Army Reserve funding. Secretary Stone further stated he would respond to the members by the end of May with a draft of this concept, and that implementation is to begin October 1, 1990.

As I stated last year, if command and control were vested in the Chief, Army Reserve, possible initiatives and enhancements would be realized. These might include reduction of layering, streamlining administrative operations, increased efficiency in resource management, and more direct, real world, real time linkages to troop units, and problems requiring expeditious resolutions.

WEST VIRGINIA ARMY RESERVE PROJECTS

QUESTION. Now that the Administration's proposed deferrals of certain funds have been withdrawn, what is the status of the following West Virginia army Reserve projects for which I secured funding in the FY 1990 Military Construction appropriation bill:

Beckley Army Reserve Center
Kingwood Army Reserve Center
Elkins Army Reserve Center
Morgantown Army Reserve Center
Rainelle Army Reserve Center

When will the funds for these projects be released for the purposes for which they were appropriated so that new, updated facilities can be made available to provide improved training opportunities for Army Reservists in West Virginia?

ANSWER. Beckley - "Friendly" condemnation of approximately 10 acres of land in the Raleigh Airport Industrial Park will commence when the OSD moratorium on expenditure of military construction funds is lifted. Design of the facility has been initiated and currently stands at three percent.

Kingwood - Negotiation for acquisition of approximately five acres of land owned by Interstate Lumber Company will commence when the OSD moratorium on expenditure of military construction funds is lifted. Design of the facility has been initiated and currently stands at two percent.

Elkins - Negotiation for acquisition of approximately four acres of land owned by Mr. Max Pritt, Jr. will commence when the OSD moratorium on expenditure of military construction funds is lifted. Design of the facility has been initiated and currently stands at two percent.

Morgantown - Negotiation for acquisition of approximately six acres of land owned by Oleksa Enterprises will commence when the OSD moratorium on expenditure of military construction funds is lifted. Design of the facility has been initiated and currently stands at two percent.

Rainelle - The exchange agreement is under development by the Baltimore District, US Army Corps of Engineers and is expected to be completed in June 1990. Design of the facility has been initiated and currently stands at three percent.

Disposition of the funds for these projects is being determined by the Office of the Secretary of Defense.

QUESTION. What more can be done to accelerate the execution of these projects? What more can be done to accelerate the execution of the West Virginia projects listed in the report accompanying the FY 1990 Military Construction Appropriation bill for which I secured planning funds?

ANSWER. Accelerated design of the subject projects has been initiated and is being intensively managed at the highest levels by both the Army Reserve and US Army Corps of Engineers.

QUESTION. What is the status of the Charleston Army Reserve Center land acquisition project, for which I secured $900,000 in the FY 1990 Military Construction Appropriation bill. What more can be done to accelerate the project?

ANSWER. First US Army will conduct a site selection in Charleston not later than 31 May 1990 to consider the approxiamtely 20 offered sites identified by the Baltimore District in response to their newspaper advertisement. Negotiations for either an option to purchase or fee acquisition is estimated to be completed not later than end of September 1990.

QUESTIONS SUBMITTED TO GENERAL WARD BY SENATOR LEAHY

NATIONAL GUARD AND RESERVE

QUESTION. General Ward, could you please provide me with a list of the current Army Reserve units in Vermont and any plans to reduce these forces within the next five years. Please include the readiness of these units and a total current Army Reserve end strength.

ANSWER. Army Reserve units currently active in Vermont are:

1st Brigade/304th Infantry Regiment
351st General Hospital
306th Military Police Company
490th Military Intelligence Detachment
1035th United States Army Reserve Forces School
344th Transportation Battalion Headquarters Detachment
368th Engineer Battalion

The following units have been programmed or recommended for cancellation or inactivation between 1990 and 1995:

Proposed activation of a hospital unit--cancelled 1990
344th Transportation Battalion, Headquarters Detachment --inactivate, 1991
306th Military Police Company--inactivate, 1991
One Company of the 76th Infantry Division--inactivate, 1992
1035th United States Army Reserve Forces School --inactivate, 1994

The units proposed for inactivation are not necessarily unready, but represent reduced requirements across the Army. The number of spaces being reduced is 270. Army Reserve Paid Drill Strength as of April 1990 was 282,029.

WINOOSKI U.S. ARMY RESERVE FORCES SCHOOL

QUESTION. I would also appreciate information about the Army Reserve school in Winooski. How many reservists attend this school each year? What percentage are reserves and what percentage are guardsmen? What is the current budget and number of active personnel stationed at this school?

ANSWER. Student enrollment figures for the 1035th United States Army Reserve Forces (USARF) School in Winooski, Vermont, are as follows. In fiscal year 1988, 186 soldiers, including 117 (63 percent) U.S. Army Reserve (USAR) and 69 (37 percent) Army National Guard (ARNG), were trained in the geographic area serviced by this USARF school. In addition, 276 soldiers were trained during the USARF school's annual training (AT) at Dover, Delaware. This included 196 (71 percent) USAR, 61 (22 percent) ARNG and 19 (7 percent) active component (AC) soldiers. In fiscal year 1989, 118 soldiers, including 42 (36 percent) USAR and 76 (64 percent) ARNG, were trained. During the school's AT, 190 soldiers were trained at Dover, Delaware. This included 146 (77 percent) USAR, 38 (20 percent) ARNG and 6 (3 percent) AC soldiers. The decrease in student enrollment was the result of a shift in responsibilities which placed Noncommissioned Officer Education System (NCOES) courses at the ARNG NCO Academy. Currently there are 168 soldiers enrolled at the school for fiscal year 1990, to include 48 (29 percent) USAR, 119 (71 percent) ARNG and 1 AC. It is anticipated there will be 250-280 soldiers trained during AT at Dover, Delaware.

The current authorized fiscal year 1990 budget for the 1035th USARF School is $12,900, including $10,000 Reserve Personnel, Army, and $2,900 Operation and Maintenance, Army Reserve.

The 1035th USARF School employs two full-time Department of the Army civilians to support the operation of the school. There are no active component or Active Guard/Reserve personnel authorized to support this school.

QUESTIONS SUBMITTED TO ADMIRAL TAYLOR BY SENATOR INOUYE

NAVY RESERVE SHIPS - FORCE STRUCTURE

QUESTION: Admiral Taylor, your statement notes that the active Navy mans ships by moving ships to personnel while the Navy Reserve moves personnel to ships. What homeports are Navy Reserve stations that are not active Navy homeports? Are any new homeports proposed?

ANSWER: For the record, my statement on this issue was "We man active ships by moving personnel to the ship. In the Reserve, we move ships to personnel." Homeports which have NRF ships but are not considered active Navy homeports include: San Francisco, CA; Tacoma, WA and Seattle, WA. Under Navy's Strategic Homeporting Plan, new homeports being considered for both USN and NRF ships are Staten Island, NY; Mobile, AL; Ingleside, TX and Everett, WA.

QUESTION: Since Navy Reserve end strength is declining, is the Navy Reserve ship program being staffed at the expense of Navy Reserve support units?

ANSWER: There is no linkage between end strength reductions and the Naval Reserve Force (NRF) ship program. Full-time support end strength is increasing to support ships as they enter the Naval Reserve Force; therefore, no support units should experience reduced support. NRF ships will continue to be assigned the highest priority in Selected Reserve manning.

QUESTIONS SUBMITTED TO ADMIRAL TAYLOR BY SENATOR BYRD

AIRLIFT REQUIREMENTS

QUESTION: Admiral Taylor, last year VADM Dunn, then Assistant Chief of Naval Operations for Air Warfare, testified that the Navy has a requirement for C-130 type aircraft. This year VADM Dunleavy, current ACNO-Air Warfare, testified that the Navy had a requirement for 29 C-130 type aircraft. Do you agree with this RADM Taylor.

ANSWER: Yes. A 1986 study conducted by the Center for Naval Analyses identified a need for 29 C-130 type aircraft to meet medium/heavy Operational Support Airlift (OSA) aircraft requirements.

QUESTION: VADM Dunleavy also stated that the first C-130 site would be New Orleans, LA, and the second site in Martinsburg, WV. Do you agree with this RADM Taylor?

ANSWER: There has not been a final decision on the sitings of the C-130 squadrons; however, NAS New Orleans is one of the sites under consideration for the first C-130 squadron. Martinsburg, WV; NAS Glenview, IL and PT Mugu, CA are other sites under consideration. Formal surveys have to be conducted at each site prior to a final decision.

QUESTION: Admiral, can you tell this committee what role the Naval Air Reserve has in providing fleet logistics support for the Navy?

ANSWER: The Naval Air Reserve's Fleet Logistic Support Wing provides 100% of medium/heavy airlift within the continental United States. In support of the Navy's organic airlift worldwide, the Naval Reserve provided transportation for 76% of the total passengers and moved 41% of the total cargo during FY-89.

QUESTION: I am advised that in previous testimony, Secretary Garrett, Chief of Naval Operations Admiral Trost, and Assistant Chief of Naval Operations for Air Warfare, Vice Admiral Dunleavy, have all indicated their support for the Naval Reserve C-130 program. Do you share this support?

ANSWER: I am in total agreement with Secretary Garrett, Admiral Trost and Vice Admiral Dunleavy's support for the Naval Reserve C-130 program.

C-130 Aircraft

Question: Last year, this Committee provided funding for the procurement of two C-130T aircraft for the Naval Reserves to meet the wartime requirements for Naval Fleet logistics operations. The Committee provided the funding to ensure that the Navy will have the Naval logistics support needed to meet its commitments. Will the Navy be able to make good use of these C130T's?

Answer: Yes. A 1986 study conducted by the Center for Naval Analyses reflects a total Navy requirement of 29 C-130 aircraft to meet Operational Support Airlift (OSA) aircraft requirements. In addition to its wartime requirement, the C-130 will provide the Navy an aircraft that has a tail loading capability which allows the Navy to carry large items, such as F/A-18 engines and helicopter blades, as a by-product of peacetime training.

Question: The President has validated the requirement for C-130T aircraft by placing two in the FY 1991 budget. Will these two FY 1991 C-130T's be based in New Orleans?

Answer: There has not been a final decision on the sitings of the C-130 squadrons; however, New Orleans is one of the sites under consideration for the first C-130 squadron.

Question: The Committee understands that the Naval Reserve's current plans are to base four aircraft at three other locations; i.e., Martinsburg, West Virginia; NAS Glenview, Illinois; and NAS Alameda, California. Is this correct? What are the total Navy requirements for C-130 type aircraft?

Answer: The four sites under consideration are: NAS New Orleans; Martinsburg, WV; NAS Glenview, IL and NAS Point Mugu, CA. Base surveys have to be conducted prior to any final decision on the C-130 sitings. A 1986 study conducted by the Center for Naval Analyses reflects a total Navy requirement of 29 C-130 aircraft to meet operational support airlift (OSA) aircraft requirements.

Question: If the Congress were able to provide up to four additional C-130T's in FY 1991, would these additional aircraft be based in Martinsburg, West Virginia?

Answer: Martinsburg is one of the sites under consideration. Site surveys have to be conducted prior to the final decision.

QUESTION SUBMITTED TO GENERAL SCHEER BY SENATOR INOUYE

HURRICANE PLANES

QUESTION: General Scheer, please explain, in detail the Air Force Reserve's plan to assume hurricane reconnaissance. How many aircraft, crews and flying hours will be dedicated to this mission? How do we stand in converting the squadrons to the Air Force Reserve?

ANSWER: As we indicated in our plan submitted to Congress in January of this year, we will dedicate 12 aircraft, 26 aircrews, and 1,600 flying hours when we assume the weather reconnaissance mission in FY 91/3. It is our plan to add the eight aircraft which will transfer from the active duty 53rd Weather Reconnaissance Squadron to the four aircraft we already possess. We will designate six WC-130Hs and two WC-130Es as PAA and four WC-130Es as back-up aircraft inventory. However, we intend that all 12 planes will be available to do the mission.

Ninety-seven reservists, of which 63 are Air Reserve Technicians (ART), will be hired in the 815th Tactical Airlift Squadron. When combined with the reservists and ARTs already assigned to the 815th, we will have 872 reservists and 288 ARTs to make up the 26 aircrews, 12 full-time and four part-time weather crews, and the maintenance complex necessary to support the five sorties per day/1,600 flying hours per year required under the MOA between NOAA and DoD.

We are ready to step out on our plan. However, as of right now, we are on a temporary hold awaiting the outcome of DoD's inquiry to the Department of Commerce about Commerce accepting responsibility for this mission. If we have a decision by 1 July 1990, we believe we can recruit, hire, and train the people we need by the FY 91/3 transfer date.

NATIONAL GUARD BUREAU

STATEMENT OF LT. GEN. JOHN B. CONAWAY, U.S. AIR FORCE, CHIEF OF NATIONAL GUARD BUREAU

Senator INOUYE. Now, we will hear from the National Guard, Lt. Gen. John B. Conaway, Chief of the National Guard Bureau, Major General Donald Burdick, Director of the Army National Guard, and Maj. Gen. Phillip G. Killey, Director, Air National Guard.

General Conaway has testified before this subcommittee on many occasions. This morning we are pleased to hear from him in his new position as Chief of the National Guard Bureau. He is the only second Air Force officer ever to be promoted to this position which oversees both Army and Air National Guard.

General, on behalf of the subcommittee, we extend our congratulations and wish much success in your new position, sir.

General CONAWAY. Thank you, sir.

Senator INOUYE. We have received your full statements. They will be made a part of the record.

PREPARED STATEMENT

Before we proceed, I have a statement from Senator Leahy that I would like to put in the record at this point,

[The statement follows:]

STATEMENT OF SENATOR LEAHY

Secretary Duncan and General Conaway, I have looked forward to reviewing your testimony at this hearing. I am convinced that as the need for active forces declines, the United States should be moving toward armed forces that rely on well equipped, well trained and rapidly mobilized Guard and Reserve units.

Secretary Cheney recently received a letter signed by over fifty Senators including myself and the distinguished chairman of this subcommittee. We asked the Secretary to postpone any reductions in Guard units until the current review of the long-term force structure is complete. Secretary Duncan, I understand that you will serve as vice-chairman of this important review panel.

Over the past decade, the Guard has become a key part of our national defense. Its readiness and participation in the total force picture has improved dramatically. I am convinced that as we draw-down forces from Europe, our reliance on the Guard will only increase.

I am not certain, however, that the Secretary of the Army feels the same way. The Washington Post reported on April 14 that Secretary Stone recommended to Secretary Cheney that Guard and Reserve forces be reduced from 776,000 to 645,000. While this is only a recommendation, I think it is a step in the wrong direction.

Guard cuts can be avoided with deeper cuts in active forces without risking our national security. Guard units have proven over and over that with the proper equipment and training their capabilities are equal to active forces. The American taxpayer also wins since retaining Guard forces costs significantly less than active units.

Gentlemen, I hope you will keep this committee fully informed of any developments with the Guard and the overall force structure picture. The debate this year and down the road may be fierce. Guard and reserve units, however, should not be sacrificed to protect active forces that we no longer need to deploy.

I ask unanimous consent that a copy of the letter sent to Secretary Cheney be made a part of the hearing record.

United States Senate
WASHINGTON, DC 20510-2503

April 4, 1990

The Honorable Richard B. Cheney
Secretary of Defense
Washington, D. C. 20301

Dear Mr. Secretary:

The dramatic changes in Eastern Europe, the move toward democratic government and the progress in both strategic and conventional arms negotiations have evolved to a point where the President has agreed to reduce United States troops in Europe. At the same time, consideration is being given to force reductions in Korea, Japan and the Philippines.

The decision to have a smaller, yet ready, U.S. military force has been made. The only remaining decisions are how far to reduce, how to execute the reductions, and where to make the cuts.

In mid-1989, the National Guard Caucus urged that you delay any reductions in National Guard force structure until a review of long-term force requirements and force mix was completed. Later in the year, the FY 1990 Defense Authorization Act directed a Department of Defense review of the Total Force Policy, the assignment of missions within and between the active and reserve components of the armed forces, and the force structure of the active and reserve components.

We continue to believe that it would be preferable to implement an interim Department of Defense policy of maintaining National Guard and Reserve force structure, to minimize turbulence and to retain the maximum number of trained and qualified personnel, until the DoD study is completed and more firm long-term objectives are established. This is especially important given the changes we are seeing in Eastern Europe. We recognize that defense budget reductions, and military force structure cuts -- particularly overseas deployed forces -- will be required this year. However, we remain convinced that long-term objectives will lead to greater reliance on the National Guard and Reserve, rather than equivalent cuts in that portion of the Total Force.

There would be several benefits to maintaining a strong Guard force. Most obvious, of course, are the cost savings. The cost of retaining Guard units is significantly less than the cost for active units, which would allow us to maintain a larger force. In addition, maintaining Guard units would give soldiers departing active duty the opportunity to continue to serve, thus allowing us to retain the benefit of their training and experience.

The "growing" of the Guard, aside from its National Defense implications, insures a grassroots ownership of and involvement in the military of the future. This is becoming more and more important as we move further from the days of the draft. The Guard provides a cost effective way to obtain maximum capability for each defense dollar, with a return to the Founders' belief in a small standing peacetime Army, which can be supplemented with a large militia in time of need.

We urge you to keep these points in mind as you continue with the tremendous task of reorienting our military forces.

Sincerely,

Kit Bond

John Breaux

Hank Brown

Bob Graham

Malcolm Wallop

Trent Lott

Tom Daschle

Jeff Bingaman

Frank H. Murkowski

Pete Wilson

John D. Rockefeller IV

Dale Bumpers

Mitch McConnell

Dave Durenberger

Strom Thurmond

Patrick Leahy

Phil Gramm

Ted Stevens

Wendell Ford

Robert C. Byrd

Orrin G. Hatch

Thad Cochran

David L. Boren

Richard Shelby

Dennis DeConcini

Rudy Boschwitz

Steve Symms

Barbara A. Mikulski

Terry Sanford

Jim Jeffords

Conrad Burns

Fritz Hollings

Jim Sasser

Howell Heflin

Don Nickles

Chuck Grassley

John Heinz

Claiborne Pell

Jake Garn

Bob Kasten

Bob Dole

John Chafee

Harry M. Reid

David Pryor

Pete V. Domenici

Chuck Robb

J. Bennett Johnston

Dan Coats

Senator **Inouye**. You may proceed accordingly.

Mr. **Duncan**. I have no further additional statements, Mr. Chairman. Let us go ahead and hear from General Conaway.

STATEMENT SUMMARY

General **Conaway**. I have just a short statement, sir.

Mr. Chairman, we appreciate the opportunity for the National Guard to be here with Secretary Duncan and for you to hear our status and our needs. I thank this committee and thank you for the great support that the National Guard has received. The high state of readiness that we are at today is thanks, in large measure, to this Senate Appropriations Subcommittee on Defense.

ADJUTANTS GENERAL ASSOCIATION

I bring you greetings from all of the adjutants general of the United States. I just left General Lum, the adjutant general of Hawaii, and his wife, Momi in Colorado where the Adjutants General Association is meeting. Maj. Gen. John Schaeffer, the adjutant general of Alaska, as well, was there as were the other 52. They are going over all of the National Guard business that takes place in the States and what is happening with the various budget shifts and force structure shifts that are taking place. They said to be sure to extend their greetings to you and to thank you and this committee for the tremendous support from all of the States and territories.

It is a pleasure for me to be here today as Chief of the National Guard Bureau. It is my first appearance before this committee as Chief representing over 575,000 men and women of the Army and Air National Guard. We in the National Guard do appreciate the tremendous support which this committee has given us.

We are well aware of the overall efforts to reduce the deficit and the necessity of staying within the President's budget. Our inputs were carefully and thoughtfully considered and worked with the services before being provided to you. I ask that you consider our needs as outlined and help us accordingly to fund those items so that we can stay at the same readiness level that we are at currently.

We are very proud of the air defense unit in Hawaii and the F-15's and the superb job that they are doing working with General Killey here, our Air Director. Of course, the 29th Separate Brigade Infantry continues to distinguish itself with a superb performance.

INTRODUCTION OF ASSOCIATES

With me today is Maj. Gen. Donald Burdick, the Director of the Army National Guard, who is from the great State of Georgia, and Maj. Gen. Phil Killey, the Director of the Air National Guard from the great State of South Dakota. Phil was the adjutant general of the State of South Dakota and a member of that Adjutants General Club with General Lum and Schaeffer, and General Burdick was the assistant adjutant general of Georgia before coming here. They can provide any specifics as you get into detail on their programs.

PREPARED STATEMENT

Generally I come here as the chief, and I take the questions, and they take the answers. But I sincerely thank you and each member of the committee for your past support of the Guard and, if you permit, we would like for them just to say a couple of words and then we will take any questions that you may have.

Senator INOUYE. Thank you.

[The statement follows:]

STATEMENT OF LT. GEN. JOHN B. CONAWAY

Lieutenant General John B. Conaway is Chief of the National Guard Bureau, Washington, D. C.

General Conaway was born in Henderson, KY. He received a Bachelor of Science Degree in Business Administration in 1956 from the University of Evansville, IN. In 1975, he received a Master's Degree in Management and Human Relations from Webster College, St. Louis. General Conaway completed U. S. Air Force Commanders Safety School in 1969, Air Command and Staff College in 1971, Air University Commanders School in 1972 and the Industrial College of the Armed Forces in 1973.

General Conaway was commissioned a Second Lieutenant in the U. S. Air Force in June 1956. After basic pilot training, he attended advanced combat crew training, graduating in 1958. His next assignments were as an F-102 fighter interceptor pilot in the Air Defense Command at K.I. Sawyer Air Force Base and Kincheloe Air Force Base, MI. In 1960, General Conaway joined the West Virginia Air National Guard as an SA-16 pilot, flying a special forces operations mission. In 1963, he transferred to Kentucky Air National Guard's 123rd Tactical Reconnaissance Wing in Louisville, as an RB-57 pilot and, in 1965, became an air technician flying training instructor, flying RF-101s. He was called to active duty with the Kentucky Air National Guard in January 1968 and served in Alaska, Panama, Japan, and Korea. Upon deactivation in June 1969, he returned to the Kentucky Air National Guard as operations officer.

In October 1972, General Conaway was appointed air commander of the Kentucky Air National Guard. In December 1974, he was appointed Vice Commander of the 123rd Tactical Reconnaissance Wing which had units in Kentucky, Arkansas, Nevada and Idaho. Some of his other assignments have included duty as Wing Director of Operations, Wing Chief of Safety, Wing Chief of Standardization and Evaluation, Group Commander, Group Deputy Commander for Operations and Squadron Operations Officer.

General Conaway was recalled to active duty as Deputy Director of the Air National Guard in April 1977 and, in April 1981, he was named Director. He was reappointed Director in April 1985. On July 20, 1988 he was named as Vice Chief, National Guard Bureau. In February 1990, he was appointed as Chief, National Guard Bureau and promoted to Lieutenant General.

General Conaway is a command pilot with more than 6,000 hours in numerous types of aircraft. His many military decorations and awards include the Air Force Distinguished Service Medal, Legion of Merit, and Meritorious Service Medal. He is also the recipient of the Air Force's Eugene M. Zuckert Management Award and the Air National Guard's Order of the Sword.

INTRODUCTION

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear again before Committees of the Congress, this time as Chief of the National Guard Bureau. I was appointed as Chief in February and represent more than half a million members of the Army and Air National Guard. I thank you in their behalf for your continued support which has contributed to our many successes.

The National Guard today, both Army and Air, has evolved far beyond anything our forefathers could possibly have envisioned. We are our country's oldest military institution, and we're proud, prepared, and professional. We have worked hard to achieve our goals for 353 years. We are still involved in our states' local emergencies and disasters, but we also provide this great nation with an effective, reliable, and credible military force which is capable of deterring aggression against our country or its allies. We in the National Guard constitute a sizable percentage of our nation's defense capability.

Our military leaders of today are challenged by numerous concerns, but none more demanding than to achieve more with less while, at the same time, conserving available resources. Anxiety about international military threats is justified, but we must also be cognizant of economic, political, and social issues affecting national strategy. Our leaders today continually endeavor to find new, innovative ways of improving the Guard's service to our nation and states. To plan better for the impact of military, social, and economic influences on the Guard, we have adopted a proactive systems management approach to the future. The National Guard Bureau has established a long range planning process to focus on specific, short and long term productivity improvements. The Army and Air Directorates have been closely involved in future planning and productivity enhancement for several years. The results have been significant and have enabled us to develop planning methodology consistent throughout the National Guard. Many Members of Congress have already seen the product of National Guard long range plans in their states.

STATE MISSION

The National Guard continues to respond to requests from civil authorities for military support during times of emergency. In Fiscal Year (FY) 89, more than 14,500 Army and Air National Guard personnel from 49 states and territories expended more than 150,000 workdays responding to 53 natural disasters, four civil disorders, and 192 other domestic emergencies. The Guard participated in evacuation; security; and recovery missions following tornadoes, floods, hurricanes, earthquakes, snowstorms, and other natural disasters; and provided humanitarian assistance such as conducting search and rescue operations; evacuating critically ill or injured persons; supplying emergency power, communications, and potable water to stricken communities; providing emergency shelter and temporary housing for the homeless; providing security assistance; and supporting ground and airborne fire fighting operations. The citizen-soldiers of the National Guard stand ready to continue this proud tradition into the 1990s and the 21st century.

DRUG INTERDICTION AND COUNTER DRUG ACTIVITIES

During FY 89, the National Guard Bureau (NGB) continued and expanded drug interdiction and counter drug activities in support of local, state and federal law enforcement agencies. During the fiscal year, 53 of the states, territories, possessions and the District of Columbia utilized a total of 107,348 mandays in the execution of 1,811 separate support operations. It was not uncommon to have 2000 volunteer National Guard members on duty on a given day. National Guard personnel were assigned duties that conformed, as nearly as possible, to their individual military occupational specialty. These duties included inspection of commercial cargo at land border entry points, seaports and international airports, and various aerial and ground reconnaissance/surveillance operations. The transport of law enforcement personnel and contraband, special training programs for law enforcement officers as well as National Guard personnel and numerous radar and imagery missions unique to National Guard capabilities were other support missions provided. Equipment used in these missions included various tactical ground transport and cargo vehicles, communications equipment, tactical radars, night vision devices, Army National Guard (ARNG) rotary wing aircraft (OH-6, OH-58, UH-1 and UH-60) and Army National Guard fixed wing aircraft (OV-1D, C-7, C-12 and U-21). Air National Guard (ANG) aircraft used were the RF-4C reconnaissance plane, C-12 and C-130 transports, and the KC-135 tanker.

The results of drug enforcement operations during which the National Guard provided support to local, state and federal law enforcement agencies during FY 89 were: Cash was confiscated in the amount of $1,735,745. Cultivated marijuana plants eradicated/destroyed totaled 4,076,662. Drugs seized were: processed marijuana pounds - 46,917; cocaine pounds - 10,887; heroin pounds - 39.5. Other property seized during support operations were: 95 vehicles (which includes air and watercraft), 111 weapons and 364,300 rounds of ammunition. The arrest of 859 individuals was a result of operations the National Guard supported. The street value of the drugs plus the cash confiscated reflects a net value of approximately $12 billion.

FEDERAL MISSION

As important as our service to state and local government is, we must remain ready for our principal mission which is to provide properly trained and equipped units, capable of being mobilized and conducting combat operations. U.S. vital interests are not limited by our national borders and we must continue to demonstrate resolve and the capability to protect our interests wherever they may be. For example, during "Operation Just Cause", the recent United States operation in Panama, Army and Air National Guard men and women were there. Ohio and South Dakota Air National Guard A-7s, part of the Coronet Cove rotation to Panama, flew 140 close air support sorties. Ninety-seven sorties were flown by seven Air National Guard C-130s from four Air National Guard units which airlifted 416 tons of cargo and 2,395 people; this included medical evacuation flights of injured soldiers, sailors, and airmen to medical facilities in Texas. Eighty-seven sorties consisting of movement of 931 people and 320 tons of cargo to Howard Air Force Base, Panama were flown by Mississippi Air National Guard C-141s. New York Air National Guard C-5s flew 49 sorties, airlifting 637 people and more than 1,000 tons of cargo. Also, a Military Police Company of the Missouri Army National Guard, conducting their annual training at the start of the Operation, was the only Military Police unit in Panama capable of processing Prisoners of War (POW). The Governor of Missouri approved a two week tour extension request so they could guard and process detainees. A Public Affairs Detachment of the Minnesota Army National Guard, also conducting annual training in Panama, provided support to the Southern Command (SOUTHCOM) Public Affairs Office to include coverage of the Operation and swearing in of President Endara.

DETERRENCE

In performing our federal mission, peacetime readiness, training, and education of the force remain key to our success. The policy of deterrence, or "peace through strength", has served the nation well for over four decades and will continue to serve as the cornerstone of our defense strategy. Deterrence seeks to prevent conventional and nuclear attack on our nation or its allies by demonstrating that any threat launched against the United States or its allies will be dealt with swiftly and effectively. Deterrence can only work when both friend and adversary alike believe in our capability and resolve to use force, if necessary, to protect our national and allied interests.

For deterrence to be credible, we must demonstrate our capability in highly visible locations in concert with total force operations. National Guard soldiers and airmen must be fit to fight, indoctrinated in joint-military operations, trained in peacetime to use the equipment provided, and taught to sustain themselves in hostile environments. National Guard equipment must be state-of-the-art, compatible with its active component counterparts, and technologically superior to that of our adversaries. Training must be realistic, and conducted in those places where the U.S. military could be one day called to fight. On the battlefield of the future, Guardsmen will be called to serve alongside their regular Army and Air Force counterparts--and they will be no less vulnerable to the capabilities of the enemy. Therefore, Guardsmen must be trained in peacetime for the rigors of war. In view of this, the value of Army and Air Guard participation in varied locations both here at home and overseas contributes significantly to our ability to achieve wartime objectives.

TODAY'S NATIONAL GUARD

The contemporary National Guard is quite unlike the Guard at any time in its 353 year history. The Total Force policy of the seventies came to fruition in the eighties as National Guardmembers demonstrated that when given responsibility, backed by resources and training, the Guard could meet active Army and Air Force standards. Stressing three pillars of military professionalism: modernization, education, and training, Guard units today enjoy the highest readiness ratings in peacetime history. The eighties was a time to lay the foundation for the Guard's long-term effectiveness as a viable member of the Total Force. The 1990's will be the time to build upon this demonstrated record of achievement. We in the National Guard fully recognize that our service is essential to national security and that the American people are taking notice of our contributions. Today, for the first time in peacetime history, we are receiving the resources to permit us to fulfill our wartime missions. For this we are grateful. Although there still remain many shortages, the past several years have permitted us to improve our readiness posture.

The fact remains that the security of our nation is not cheap. Although reserve forces have proven to be cost-effective, strong active forces remain essential to our defense strategy. Both active and reserve forces must be fully integrated in training, equipment and systems. I believe today's National Guard is the best trained, best equipped, most capable and professional Guard in our nation's history. To maintain this readiness and newly developed capability, it is essential that the American people support continued modernization of the Guard, enhanced training initiatives and resources to maintain equipment in "go to war" condition.

PERSONNEL

RETENTION RATES

There are those who assert that training demands are forcing our soldiers and airmen out of the Guard. To this I offer an Air Guard retention rate of 89 percent and an Army Guard retention rate of 80 percent, thus today's National Guard tops all other Reserve Components in terms of retention. Our people are staying because they are trained effectively with good equipment. They are recognized for their service and have confidence in their leaders.

END STRENGTHS

At the close of FY 89, the Air National Guard exceeded programmed end strength figures.

The added requirements and missions assigned to the Air National Guard continue to require this force to grow. In FY 89, the ANG exceeded its recruiting goal for the year when it experienced a net gain of 840 members. The actual year end strength was 116,061 against an approved end strength of 115,200. An increasing proportion of this force consists of women and minorities. In FY 89, the Air National Guard gained more than 500 women and approximately 550 minorities raising their percentage of the force to 13 percent and 15 percent respectively. Despite the Air National Guard's continued success in achieving overall membership, it continues to experience difficulty in manning a few traditionally hard to fill or critical skill vacancies, such as Aircrew Operations, Tactical Air Command and Control, Munitions, Communications, and Electronics and Computer Systems.

FY 89 ARNG assigned strength of 456,960 was 99.9 percent of the end strength objective. This record accomplishment continues the trend of unprecedented year end strengths established over the past five years. The high officer strength of 50,112 was 101.6 percent of authorized and an even greater percentage of the objective. Officer gains of 1,896 more than offset the small net loss in enlisted strength which totaled 406,848, 99.7 percent of objective. Total end strength of 456,960 reflected a net gain of 1,778 over FY 88, and 97.5 percent of authorized.

Minority strength in the ARNG did not grow in relation with overall strength and ended the fiscal year at 111,973, 24.5 percent of total. Black officers at 2,962 comprised 5.9 percent of officer strength while enlisted personnel declined by more than 800 to end at 72,129 or 17.7 percent of enlisted strength.

Female strength rose to an unprecedented high this fiscal year. The opening of additional military occupational specialties to females in the ARNG provided an opportunity to fill additional requirements with female enlistees. During the year, a record number of 4,203 were recruited. There were 3,529 female officers, 26,468 enlisted personnel totalling 29,997, 6.6 percent of ARNG assigned strength at the end of FY 89, a net increase of 3,216.

FULL-TIME SUPPORT

Full-time support personnel provide the backbone for organizing, administering, recruiting and retaining, instructing and training in the Army and Air National Guard. The full-time support program provides a cadre of full-time personnel whose objective is to enhance and maintain the overall unit readiness. The program encompasses Active Guard/Reserve (AGR) personnel, National Guard Technicians, active component soldiers and airmen assigned to the National Guard, and Departments of the Army and Air Force civilians.

Program growth is the most critical full-time support issue facing the Guard today. Continued limitations on the projected expansion of the AGR force and the National Guard technician force threaten the overall readiness of the Guard. Regrettably, this condition persists during a period of historic and uncharted changes abroad, which will likely increase our strategic reliance on the readiness of the National Guard. We are in favor of replacing the Congressionally mandated technician ceiling with a technician floor. This would permit the flexibility for technician growth consistent with changing program requirements. We also need relief on grade level restrictions on the full-time AGR program so that career progressions of quality, professional guardsmen are not unduly constrained.

For the ARNG, growth in full-time support authorizations throughout the FY 88-89 timeframe has not kept pace with increased force structure and modernization conversions. The gap between what is required to support the existing force structure and what has been resourced is widening. We can no longer afford to field new missions like Hawk battalions, Mobile Army Support Hospitals and Military Intelligence units, as we're doing in FY 90, without adequate additional resources. We require 42,974 AGRs in FY 90 and support our units with only 26,164, a 16,810 shortfall. To compensate for this shortfall, the Army National Guard redistributed AGR authorizations from one state to another to ensure some minimal manning for all units. This was a partial fix to a shortage problem which can only be resolved with additional growth. The technical expertise provided by our technician force is paramount in our maintaining the highly sophisticated weapon systems being fielded in the Guard today. The AH-64 attack helicopter and the M1 Abrams tank are examples of state-of-the-art weapon systems requiring additional technician resources. The maintenance readiness posture may be adversely affected as we accept highly technical modern equipment without a corresponding increase in full-time manning.

The FY 91 budget for the ANG includes 361 fewer technicians, and 49 fewer AGR authorizations. Two hundred and twelve of this reduction is caused by the transfer of the Special Operations Mission at Harrisburg, Pennsylvania to the U.S. Special Operations Command budget.

Increased reliance on the Guard as a cost effective partner in the Total Force has grown dramatically in recent years. Full-time support is the cornerstone program upon which the strength of the Guard is ensured. This program is well conceived, implemented, and managed. Requirements are well documented and must be supported if the Guard is to continue to accomplish its expanded missions effectively at minimal cost.

INCENTIVE PROGRAMS/ENTITLEMENTS

Incentive programs are essential to keep National Guard service attractive. The Army Selected Reserve Incentive Program (SRIP) provides enlistment bonuses that may be either a $2,000 critical skill or $1,500 unit bonus. Additionally, the program offers the retention bonus, affiliation bonus, the Student Loan Repayment Program, and the Health Professionals Loan Repayment Program. Current authority for all of these programs except the Student Loan Repayment Program expires September 1992. Continuing authority for all these programs is essential in support of our recruiting and retention requirements.

The Montgomery GI Bill (MGIB) is a most valuable entitlement and provides benefits to our soldiers and airmen who are attending undergraduate college courses. The Montgomery GI Bill is further enhanced by changes which take effect in FY 91 to include the addition of vocational-technical training, flight training, correspondence and independent study, and the ability to use the benefits for undergraduate study after receiving a baccalaureate degree. The Veterans Administration reports 64,969 ARNG members and 18,782 ANG members are receiving benefits. Our participation is continuing to increase.

In addition to the MGIB, the National Guard offers incentives in the bonus and student loan repayment programs. These programs provide cash incentives and assistance in repaying qualified, federally insured student loans to members who enlist or reenlist in identified critical skills. Active duty guardsmen can participate in educational programs such as the Community College of the Air Force, College Level Examination Program (CLEP) and Defense Activity for Non-Traditional Education Support (DANTES) testing. These programs have proven to be effective tools for recruiting members. As retention tools, these programs save the Government substantial funds by reducing training costs associated with bringing new and untrained personnel into the Guard. Entitlements and incentives promote recruitment and retention of trained and experienced members, and must be continued.

EQUIPMENT

ARMY NATIONAL GUARD

Despite the reduction of procurement programs in recent years, equipment deliveries to the ARNG rose to $2.9 billion. This value represents a significant increase over the $2.7 billion delivered in FY 88, and can be attributed to continued modernization of ARNG combat units with new and displaced Army equipment and delivery of Dedicated Procurement Program equipment. The distributed equipment included such major systems as the M1 Abrams Tank, M60A3 Tank Thermal Sight Tank, Improved TOW Vehicle (ITV), M198 Howitzer, Battery Computer System (BCS), Chaparral, Heavy Expandable Mobility Tactical Truck (HEMTT) and High Mobility Multipurpose vehicles.

Surface Equipment-On-Hand readiness has reached record high levels as a result of these deliveries and inventory management efforts. Despite these gains, however, the ARNG remains short $6.9 billion of equipment. The most critical shortages are medium and heavy tactical wheeled vehicles, tactical communications equipment, and support items such as tools, test equipment, and fuel hauling equipment.

Although the ARNG is beginning to modernize its aging helicopter fleet, we are still faced with shortages that will impact negatively on force readiness into the late 1990s. These shortages exist in attack, utility, scout and heavy lift categories.

The ARNG continues to look at innovative ways to manage shortages in the ARNG utility helicopter fleet. The vast majority of the current fleet consists of over 1,100 Vietnam era UH-1H aircraft. These aircraft are serving extensive drug enforcement support missions in addition to tactical training employment.

AIR NATIONAL GUARD

Modernization of the Air National Guard is continuing. F-16s and F-15s are replacing older tactical and air defense fighters across the Air Guard. The Air National Guard supports the Air Force plan to enhance Close Air Support/ Battlefield Air Interdiction capabilities. In the ANG's airlift force, congressionally directed C-130H procurement continues to retire the older C-130A/B aircraft. Additional C-141B strategic airlift assets are scheduled to enter the Air National Guard aircraft inventory during FY 91. The reassignment of additional KC-135 aircraft in FY 91 from the active component will provide the Air National Guard with a significant increase in capability for the air refueling tanker mission. Air National Guard modernization also includes new MH-60G aircraft at Air Rescue units and C-26A operational support aircraft at various locations.

Equipment modifications continue in every weapon system. It is imperative that these upgrades continue so that the Air National Guard combat capability can keep pace with changing missions and threats.

The obsolescence of Air National Guard combat communications and tactical control communications equipment continues to be an area of concern. About 40 percent of the equipment in these units is of early 1960's vintage which results in interoperability problems between US and allied forces. Our main objective is to upgrade all equipment from existing analog technology to state-of-the-art digital technology. However, the absence of any FY-90 monies has significantly impaired the progress our units were making in acquiring the needed equipment resulting in a decrease in readiness. The reduction of $107.1 million from the TRI-TAC program, approximately 70 percent of which is Air National Guard, has all but brought to a halt the slow modernization program that was in place. The Total Force situation becomes particularly aggravated when it is realized that about 70 percent of the Air Force's combat communications capability and 60 percent of the tactical control units are in the Air National Guard.

A major concern for the Air National Guard has been the consistent delay in obtaining spares and support equipment for the C-130H aircraft procured by congressional direction. C-130 spares and support equipment should be provisioned concurrently with aircraft procurement in order to ensure timely availability to support new aircraft missions. The resulting delays in obtaining this equipment has degraded our C-130 supportability posture. Separate funding for spares and support equipment should be provided when new aircraft are procured.

TRAINING THE NATIONAL GUARD

ARMY NATIONAL GUARD TRAINING AND EDUCATION

The multitude of training opportunities available today for our ARNG soldiers and units is key to providing realistic, mission-oriented training and improving readiness. The Professional Development Program, Key Personnel Upgrade Program (KPUP), Overseas Deployment Training (ODT), CAPSTONE, training at the National Training Center (NTC) and at the Joint Readiness Training Center (JRTC), Battle Command Training Program (BCTP) and the Joint Chiefs of Staff (JCS) exercises are vital to meeting the ARNG's mission to provide combat ready units in support of the total force and Unified Commander's missions.

RESERVE COMPONENT TRAINING STRATEGY

The Reserve Component Training Strategy provides continuous focus for improving training readiness. The Strategy follow-up efforts has produced a training development action plan which addresses 38 initiatives to enhance training in the five areas of soldier, leader and collective training, as well as training support and management. Skill Qualification Test upgrading and validation; enlisted and officer education systems; unit training aids, devices, simulations; and simulator acquisition are three significant issues. Department of the Army manages the program through semi-annual reviews and a General Officer Steering Committee to give priority focus to this important program.

KEY PERSONNEL UPGRADE PROGRAM (KPUP)

KPUP deploys soldiers to train one echelon above their current positions or at a facility with a large overall support mission. The training received during these deployments is reflected in the readiness and understanding of the soldiers as they return to their states. KPUP, a Branch/MOS enhancing program, strives to link soldiers to units within their CAPSTONE Trace, fostering the Total Army policy. Since 1981, approximately 37,000 ARNG soldiers have deployed to 92 locations within CONUS and trained in 27 countries supporting humanitarian and mobilization training.

OVERSEAS DEPLOYMENT TRAINING (ODT)

ODT provides Army National Guard (ARNG) units and unit cells the invaluable opportunity to train in their wartime theater of operations under their CAPSTONE gaining command. In addition to honing their warfighting skills, ODT participants familiarize themselves with their assigned area of operations and learn the operating procedures of their CAPSTONE affiliate. ODT also serves as an excellent mobilization planning and execution exercise for ARNG units. In FY 90, 23,000 Guardsmen are scheduled for ODT with about 25,000 programmed in FY 91.

THE NATIONAL TRAINING CENTER (NTC)

The NTC is the Army's premiere collective training center. It provides the most realistic mid to high intensity combat environment available in peacetime. Since 1983, twelve Army National Guard roundout battalions have trained at the NTC. Current schedules call for four battalions in FY 90 and FY 91, and two battalions in FY 92. In addition, the ARNG takes advantage of the excellent training opportunity provided by the opposing forces at the NTC. For this mission the ARNG will provide fourteen companies in FY 90 and ten companies in FY 91.

THE JOINT READINESS TRAINING CENTER (JRTC)

The JRTC is the combat training center for low to mid intensity conflict, with primary emphasis on the Army's light, airborne, ranger, air assault, and conventional infantry forces. In 1989 two ARNG battalions participated in JRTC exercises. There is a single battalion rotation in FY 90 and two battalion rotations in FY 91. In addition, the ARNG takes advantage of the excellent training opportunity provided by the opposing forces at the JRTC. For this mission the ARNG will provide 2 companies in FY 90.

JOINT CHIEFS OF STAFF (JCS) EXERCISES

JCS exercises provide ARNG units the opportunity to train in a wartime like environment alongside elements of the Army, Navy, Air Force, and Marines. They allow the ARNG to showcase itself as a viable, effective fighting force in front of the other services. Participating soldiers improve their warfighting skills in a pressure-packed environment. JCS Exercises give ARNG leaders the chance to conduct mobilization planning and execution, and to evaluate unit war plan development and operating procedures. CAPSTONE associations are strengthened, and participating units familiarize themselves with their wartime missions and CAPSTONE theater of operations. JCS exercises allow all ARNG elements, combat, support, and combat service support to work together as they would in wartime. Currently 16 JCS exercises are scheduled for FY 90 and 16 for FY 91.

SPECIAL OPERATIONS FORCES (SOF)

In support of the Goldwater-Nichols Department of Defense Reorganization Act of 1986, the National Guard Bureau continues to emphasize revitalization of Army National Guard (ARNG) SOF. An ARNG SOF General Officer Steering Committee was formed and met for the first time in FY 89 to address improvements in the force. In FY 90, the ARNG plans to form an ARNG Special Forces (SF) MOS Qualification Task Force to address initiatives directed at improving the overall MOS qualification in ARNG SF units. Since activation of the Army Special Operations Command as a major command, the ARNG has been represented by an ARNG Major General in the position of Deputy Commanding General. Two ARNG Special Forces Groups and one Special Operations Aviation Battalion continue to participate in training during worldwide deployments in support of theater CINCs.

THE BATTLE COMMAND TRAINING PROGRAM (BCTP)

BCTP is a command post exercise that has been developed to fulfill the training needs of Corps and Division commanders and their staffs without the need for an entire Division participating in field exercises. This program develops and tests expertise at the operational level of war, command and control, decision-making, and effective staff procedures. It trains to tough, combat performance standards, thereby improving commander and staff combat readiness.

AVIATION TRAINING

The ARNG has two centralized Army Aviation Training Sites (AATS) which provide training of aviation skills unique to the ARNG. These sites, the Eastern and Western AATS, are located in Pennsylvania and Arizona, respectively.

In 1978, the ARNG began developing the concept of centralized ARNG AATS. The concept was based on an assumption that Active Component capabilities would be constrained in the 1980's and beyond. Experience through the mid-1980's has proven that assumption to be valid. The concept has been successfully implemented in both the Eastern and Western AATS.

The Eastern AATS is entering its' seventh year of training operations in FY 90 focusing on individual aviator qualification training in utility and cargo rotary aircraft as well as selected fixed wing aircraft. The Western AATS begins its' third year of "limited" operations in FY 90 concentrating on attack and aeroscout rotary wing training. During FY 89, the AATS program trained 1,069 students, a number which will be equalled in FYs 90 and 91. Nearly 11,000 flying hours were executed in support of the student training during FY 89. Over 12,000 flying hours are programmed to support training activities during FY 90.

The Eastern AATS operates a regional UH-1H synthetic flight training system supporting Active Component, Army Reserve and Army National Guard aviators on a regional basis. Both training sites operate an AH1 (Cobra) Flight Weapons Simulator (AH-1 FWS) on a regional support basis. Over 28,000 hours of creditable aircrew flying hours were accomplished in these simulators during FY 89. That accomplishment will be surpassed as displaced AH-1 aircraft are fielded in ARNG units in FYs 90 and 91.

As resources become more constrained in FYs 90 and 91, the role of these training sites will become of greater importance. More emphasis on resource intensive training will occur to minimize the impact of possible reductions in flying hours, training time and limited availability of aviation compatible training areas in metropolitan areas. The ability of the AATS program to meet this role will be limited without the necessary full-time AGR personnel. The training capability of the Western AATS is currently constrained due to limitations on personnel growth. Moreover, the premobilization preparation of both sites to expand the Army's aviation training base upon mobilization will be adversely affected. These training sites serve as "survival kits" for ARNG aviation and provide a pressure relief valve for the States so that unit level training missions can be accommodated at home station in the traditional guardsman role. Overall, ARNG aviator training will be improved and unit readiness will be enhanced by these training sites.

In FY 91 the ARNG will field two new generation UH-1 Flight Simulators to support ARNG aviation training requirements. The two cockpit device will be located at ARNG sites in Los Alamitos, California and Peoria, Illinois and provide regional support to Active Army, ARNG and Army Reserve aviators. The new devices are the result of a Grumman Electronics Contract for development of a prototype simulator based on new computer software language. This effort is the forerunner that will allow replacement of existing mainline computers, as well as split-out and redistribution of UH-1 simulator cockpits. Military construction for facilities to accommodate these simulators will be completed in late FY 90.

In FY 88, the first ARNG Apache Attack Helicopter Battalion in North Carolina was certified combat ready. In FY 89, a second ARNG Apache Attack Helicopter Battalion in South Carolina began training at home station and will deploy to Fort Hood for combat certification in FY 90. Battalions in both Florida and Utah begin home station training in FY 90. A unique feature of the Apache Battalions is that each requires 36 unit members to provide full-time support; however, with continued constrained growth in full-time manning, the aggregate shortage for the four Apache battalions will be 72 full-time personnel by FY 91.

The ARNG has established mandatory Night Vision Goggle (NVG) qualification for all ARNG helicopter pilots. All pilots are now NVG qualified during initial flight training at Fort Rucker, Alabama. In addition, NVG mission training in be constrained in the 1980's and beyond. Experience through the mid-1980's has proven that assumption to be valid. The concept has been successfully implemented in both the Eastern and Western AATS.

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The ARNG has established mandatory Night Vision Goggle (NVG) qualification for all ARNG helicopter pilots. All pilots are now NVG qualified during initial flight training at Fort Rucker, Alabama. In addition, NVG mission training in unit tactical tasks was mandated for specific positions identified by the unit commanders. More than 80 percent of all ARNG aviators are now NVG qualified, with more than 30 percent mission trained. The goal of the ARNG is to have 100 percent of our pilots NVG mission trained.

TRAINING SUPPORT

Limited training time, unit dispersion, constrained space for maneuvering units and for gunnery ranges create unique training problems for the ARNG. Many of these problems can be overcome through the innovative use of training devices, simulators, simulations, and a comprehensive development program for local training areas. Currently the ARNG is working with states such as Ohio, Maine, Kentucky and Nevada to provide land at no cost for unit maneuvers.

TRAINING SYSTEMS

To date, 5,300 Electronic Information Delivery Systems (EIDS) are being fielded along with 6,400 hours of courseware under development. EIDS is an interactive learning system with which individuals and small units will be able to learn and sustain military occupational job skills. The ARNG has continued fielding of the Multiple Integrated Laser Engagement System (MILES). Currently the ARNG has fielded three platoon sets per battalion and squadron.

The Guard Unit Armory Device, Fullcrew Interactive Simulations Trainer (GUARDFIST I) for M-1 Tank crews has reached the prototype stage with 10 devices being prepared for testing during FY 90. GUARDFIST II, a fire observatory trainer, continues under development with prototypes also scheduled for FY 90.

A Squad Engagement System (SETS) prototype currently being tested will provide for infantry training on fire control, fire distribution and junior leader training in an indoor environment. Precision Gunnery Training Systems (PGTS) for TOW and DRAGON antimissle systems, when fielded, will allow gunnery training indoors or outdoors at home stations.

REGIONAL TRAINING SITES

The Regional Training Site - Maintenance (RTS-MAINT) program provides centralized, regional hands-on training on current and force modernization systems. Individual transition level training and additional skill identifier (ASI) on force modernization equipment and sustainment training for designated military occupational specialities (MOS) is provided.

The Army National Guard has proponency for thirteen RTS-MAINT sites. Training programs have already been initiated at Fort Bragg, North Carolina; Camp Shelby, Mississippi; Fort Dix, New Jersey; Camp Dodge, Iowa; Camp Blanding, Florida; Camp Roberts, California; and Camp Custer, Michigan. RTS-MAINT sites are scheduled for activation at Camp Ripley, Minnesota; Gowen Field, Idaho; Nickell Barracks, Kansas; Fort Stewart, Georgia and Jefferson City, Missouri in early FY 90. In FY 91 the final site is scheduled for Pearl City, Hawaii.

The New Jersey National Guard High Technology Training Center (NJHTTC), provides a training environment to conduct individual, small unit, and battle staff training using simulations, training devices and equipment end-items, so as to enhance proficiency in the weapons systems of the Army of Excellence, and the tactics applicable to the Airland Battle. The HTTC provides training seven days per week; twelve months of the year to personnel from throughout the East Coast including ARNG, USAR, USAF, Active Army, Marine Corps and Coast Guard as well as a host of civilian agencies. The NJHTTC includes a Regional Training Site - Maintenance (RTS-MAINT), a High Technology Training Center, a Training Technology Field Activity (TTFA), and a Range Training Support Activity (RTSA).

The Army National Guard has two Regional Training Sites-Medical (RTS-MED), one at Camp Shelby, Mississippi and one at Fort Indiantown Gap, Pennsylvania. These sites provide medical units with transition training on modernized medical equipment such as Deployable Medical Systems (DEPMEDS), sustainment training, and will have a prepared mission to provide emergency medical support to disaster areas. DEPMEDS training to Reserve Component units is of paramount importance as 70 percent of the Army's field medical support lies with RC units which will be trained at RTS-MEDS.

The Deployable Medical Systems (DEPMEDS) provides a functional modular system that serves as the building blocks for field hospitals to form complete operating rooms, laboratories, medical treatment clinics and ancillary services. DEPMEDS is housed in a Tent, Extendable, Modular, Personnel (TEMPER) and in International Standards Organization (ISO) shelters. These units are designed to be used in a variety of configurations to provide shelter and functional work areas for field medical support.

SPECIAL TRAINING SITES

Since 1986 the ARNG has trained at a fully operational and provisioned "warm base" European Aviation Classification and Repair Activity Depot (AVCRAD) facility at Brussels, Belgium. This facility is manned by AGR and contractor personnel and will be used for the 1107th Missouri AVCRAD to deploy to upon mobilization. Currently, aviation maintenance personnel from the California, Connecticut and Missouri AVCRADS conduct Overseas Deployment Training at this site to enhance peacetime readiness.

In FY 89 the ARNG assumed management of a ground maintenance facility at the General Support Center, Kaiserslautern, Germany. Staffing consists of ARNG, USAR and Active Army personnel. This facility conducts maintenance on U.S. Army Europe (USAREUR) equipment plus serves as a "hands on" training center for ARNG maintenance units. This Reserve Component Maintenance Training Facility enhances both USAREUR peacetime equipment readiness and the training readiness of ARNG Combat Service Support maintenance units.

TRAINING AREAS AND RANGES

The ARNG Range Modernization Program supports units by providing up-to-date weapons firing facilities and training areas close to their home station. The program is oriented to improve readiness by providing ranges for individual and crew qualification. It is also geared to cost-savings by developing, acquiring, and upgrading training areas which maximize training time while reducing operating costs. The range modernization program received over $17 million in FY 89 and is projected to increase to approximately $65 million for FY 90 through FY 92.

The initiatives support the development of training facilities and land to provide individual and collective training for all ARNG units at 71 ARNG Major Training Areas. Without these programs, ARNG units would spend valuable training time and funds traveling to and from distant active component training sites. Improvement of these areas with such facilities as computerized targets systems, modernized barracks, and educational buildings allows training to current Army standards required for mobilization.

MOBILIZATION TRAINING

The Army National Guard Mobilization and Deployment Exercise Program continued to receive emphasis as an essential element of verifying a units mission capability during FY 89. These exercises are progressive in nature and increasingly challenge the participants to realistically evaluate mobilization plans and execution requirements.

The ARNG Mobilization Exercise Program consists of four exercises designed to address all phases of the mobilization process. Three of these, the State Areas Command Exercise (STARCEX), the Mobilization and Deployment Readiness Exercise (MODRE), and the Readiness for Mobilization Exercise (REMOBE), are executed as comprehensive evaluations of unit mobilization plans, administrative procedures and personnel assigned.

The fourth, the Emergency Mobilization and Deployment Exercise (EMDREX), is an exercise designed to test the ability of selected high priority ARNG units to respond, prepare and depart for the mobilization station within 72 hours of federalization. This has become the cornerstone of the ARNG exercise program to insure that the first to mobilize achieve and sustain the required high level of preparedness.

The number of exercises conducted has increased since FY 84 from 400 exercises to over 900 in FY 89, while exercise funding has remained constant at about $12 million. This growth has been achieved by encouraging conduct of exercises in conjunction with inactive duty training periods and other mobilization related training events, rather than as separately funded exercises. The ARNG Exercise program growth has now leveled. Further expansion in the program, and the associated increase in ARNG mobilization preparedness, will be dependent upon additional funding.

In FY 89 the ARNG initiated a program to improve both the mobilization preparedness and readiness of selected high priority ARNG units. This program is specifically designed to improve the readiness of these units through equipment redistribution, recruiting and retention incentives and exercise training opportunities. These exercises test all phases of the mobilization process to include commercial loadout of unit equipment, movement to the mobilization station and an initial assessment of the units deployability.

FY 90 will see continued emphasis on exercising high priority force package units as well as improving the quality of exercises conducted. With the leveling off of funding, quality exercises are the only avenue for ensuring maximum results from time and dollars expended. Currently, as a result of budget constraints, exercise schedules have been curtailed to the point where lower priority units are unable to conduct all exercises required by regulation to meet minimum proficiency. FY 90-91 is an especially critical period, as the Headquarters, Department of the Army, CALL FORWARD series of exercises begins. It is essential that the ARNG be adequately funded to ensure full participation in this series. As the U.S. Army draws down, there will be continued reliance upon the mobilization capabilities of the ARNG, and the only way to assure this capability is through a fully funded, fully executed Mobilization Exercise Program.

CAREER DEVELOPMENT (PROFESSIONAL DEVELOPMENT PROGRAM)

The Army's ability to field a combat-ready force requires the development of leaders who can, on short notice, deploy, fight, and win. Army National Guard soldiers continue to receive training in resident courses on the latest tactics, doctrine and systems, thus reinforcing Military Occupational Specialty (MOS) skills and leadership abilities. The Noncommissioned Officer Education System (NCOES) is our primary means of meeting these requirements.

Effective October 1, 1987, the Reserve Component Noncommissioned Officer Education System (RC-NCOES) was revised to include Military Occupational Specialty (MOS) specific tasks as well as leadership training and battlefield survival skills. RC-NCOES now consists of three levels of career development training. These levels and the corresponding courses at each level are the primary level - the Basic Noncommissioned Officer Course (BNCOC), the advanced level - the Advanced Noncommissioned Officer Course (ANCOC), and the senior level - the United States Army Sergeants Major Course (SMC). The BNCOC and ANCOC have been developed for presentation in two phases (Phase I and Phase II). Phase I training consists of common leader training and the Phase II provides the MOS-specific training.

ARNG and United States Army Reserve Forces (USARF) Schools trained 24,000 soldiers in PLDC, Phase I of BNCOC, and Phase I of ANCOC in fiscal year 1989. The total number of soldiers requiring training is expected to increase somewhat for the next three years as implementation of Phase II, MOS-specific courses begins.

The Operations and Training Division is currently developing a plan to implement the Phase II, MOS-specific training. The Majority of courseware is projected to be completed during FY 90, and barring budget constraints the program should be on-line in FY 91.

Additionally, soldiers continue to be trained at the Reserve Component Tank Commanders Course (RCTCC). This course prepares ARNG NCOs and officers for the duty position of tank commanders in a tank armor company or Cavalry troop. Attendees programmed to attend through FY 91 remain consistent with the number of soldiers trained in FY 89. Expanded training will be provided tc include the M60A3 and M1 Abrams Tanks beginning in FY 90.

The ARNG NCO Battle Skills Course (BSC) was developed to sustain combat skills. BSC provides training in the technical and tactical employment of infantry squad, platoon weapons, live fire exercises, and the use of supporting battlefield survival techniques. The National Guard trained 526 soldiers during FY 89, and FY 90 and 91 objectives are similar.

The Professional Development Program began on May 1, 1984. This is an aggressive program to train the AGR workforce to the same standards as their active component counterparts. Military technicians were included in the program on March 7, 1985. Although several modifications have been made to the enlisted military technician requirements, the program remains viable. Full-time support personnel are a valuable, integral element of the unit they support. They are instrumental in developing improved unit readiness, quicker deployability, and leadership in their units. Participation in the program ensures the Army National Guard full-time force will continue to provide the elements of competency expected of a professional soldier and assures continued improved readiness throughout the Army Guard.

SAFETY

In FY 89, the ARNG Safety and Occupational Health Program made significant strides in accident prevention. Overall Class A through C ground accidents were down by 30 percent, fatalities were down by 16 percent, privately owned vehicle (POV) accidents were 7 percent less when compared to FY 88 totals. The aviation Class A accident rate was 2.20 per 100,000 flying hours with the Class A through C rate being 7.56, as contrasted to 2.09 and 8.03 Army-wide, respectively. Significant accident reductions in ground and POV incidents were the direct result of specially targeted campaigns aimed at key task errors. The ARNG implemented the Hazard Communications Program in accordance with Public Law and DoD policy, thereby successfully fulfilling the employee "right to know" mandate. Future accident reduction initiatives will further improve combat readiness by avoiding the cost of needless accidents.

AIR NATIONAL GUARD TRAINING AND EDUCATION

The Air National Guard continues to maintain its high level of combat readiness while preparing for the challenges of the 1990s through its training and education initiatives. Air Force formal technical training schools, in conjunction with unit-level on-the-job training programs, provide Guard members with the skills necessary to perform their wartime taskings as an equal partner in the Total Force.

The Air National Guard is now testing innovative new training approaches, such as the Consolidated Training Office Concept and the Total Training Management System, which will improve the quality of training while making the most cost-effective use of available resources. These programs will provide for skill development of ANG members through combinations of formal training and practical experience which will qualify them to perform more effectively in their duty positions in the coming years.

In conjunction with these technical training programs, formal education programs, both military and civilian, will provide ANG members with the management, leadership, and technical skills necessary to take us into the next decade. Our education programs will allow us to meet the challenges of dwindling resources, changes in the perceived threat, increasingly sophisticated systems, and a decreasing pool of qualified potential enlistees.

As one way of meeting these future challenges, the Air National Guard has embarked on a program to expand the opportunities for professional military education for its noncommissioned officers through increased in-residence attendance at the Senior NCO Academy, NCO Academies, NCO Leadership Schools, and NCO Preparatory Courses. In addition, our educational opportunities and programs continue to make a significant contribution in the broad areas of recruiting, retention and morale. Since every facet of our society places an increasing emphasis on formal education, our education programs, both military and civilian, often enhance our members civilian skills as well as their military skills, thus benefiting society as a whole.

Because of our members' dual roles as citizen-airmen, our members occasionally find it difficult to attend training programs on a full-time basis. The Air National Guard has therefore developed several short courses of one to two weeks duration which are designed to increase Guardsmen's skills in their military specialties as well as in the broad areas of leadership, management, and systems.

With the increasing defense role we anticipate the ANG to assume over the coming decade, we believe it is imperative to continue providing the military personnel resources (currently costing approximately $60 million annually) necessary to pay for these school days. These programs not only meet the needs of the Air National Guard and its members, they also ensure that a ready, cost-effective force will be available to meet any contingency.

The Air National Guard is currently undergoing several upgrades in the quality of simulator assets for our Tactical Fighter forces. The F-16 simulator program has developed with emphasis placed on the Replacement Training Units (RTUs) at Tucson, Arizona, McConnell Air Force Base, Kansas, and Kingsley Field, Oregon. Cost and the heavy demand of the ANG RTUs has driven the placement of these advanced assets at the locations where the training aircrew can derive the most benefit. Due to the advances in technology, much of the operational unit training can be accomplished by using training devices that are cost effective and less manpower and maintenance intensive. As a result, older generation simulators are being upgraded or phased out of the inventory. The Cockpit Procedures Trainer (CPT) programmed for all the F-16 Air Defense Fighter (ADF) units is just one example of this. Another is the Part Task Trainer (PTT) that is now in procurement for our General Purpose F-16 units and our F-15 units. The PTT will allow our traditional Air National Guard pilots to improve and refresh essential skills required by today's technologically complex aircraft. Both the CPT and PTT will significantly improve the quality of aircrew training at the unit level and greatly reduce the financial costs of that training. While the ANG is moving toward fewer simulators in the tactical fighter units, the acquisition of high quality CPTs and PTTs will continue to allow the force to receive the highest quality training available.

The ANG operates four old C-130 simulators at different locations throughout the U.S. which train our aircrews from 19 tactical airlift units. These simulators support over 450 aircrews in annual refresher programs. Working together with Headquarters, Air Force Reserve (AFRES) and Headquarters, Military Airlift Command (MAC), the ANG has negotiated the transfer of a state-of-the-art C-130 Weapons System Trainer (WST) from MAC. The WST will be used to support a Guard and Reserve western training center at Minneapolis/St. Paul Airport and will train approximately 400 aircrews annually. This trainer along with an eastern training center, will ultimately train over 800 Guard and Reserve Component aircrews. In addition to the C-130 simulator training, the ANG contracts for civilian commercial simulator training for the KC-135 and mission support aircraft aircrews. These civilian contractors provide a safe, cost-effective means of training aircrews when no military capability exists.

The Air National Guard made substantial gains in the area of medical readiness capability during FY 89. Some of the more significant advances were made in the completion of medical readiness training. The placement of the Survivable Collective Protection System - Medical (SCPS-M) was completed at the Combat Readiness Training Center located at the Phelps Collins Air National Guard Base, Alpena, Michigan. This SCPS-M medical training facility allows the Air National Guard medical units, deploying to Alpena for annual training, to accomplish all aspects of continuing medical readiness training. Previously, this type of training has been the responsibility of the active force to instruct. This capability, now in place at Alpena, will be offered to Air Force Reserve medical units with mobilization tasking and will be made available to the active force should the need arise.

The opportunity to participate in medical readiness training exercises worldwide was extended to several ANG medical and aeromedical evacuation units. Medical exercise involvement offers excellent opportunities to sharpen wartime medical skills.

As a full partner in the Total Force, the Air National Guard is an active participant in overseas deployments, joint training exercises and a wide range of Air Force and ANG sponsored Composite Force Training exercises. Participation in overseas deployments enables entire units to integrate into wartime-tasked theater operations throughout the world. Multi-unit deployments can reduce per unit deployment costs and are used whenever tasking permits. Joint training exercises improve readiness through the development of multi-unit, multi-mission tactics and have greatly increased the combat capability of ANG units.

ANG Fighter, Reconnaissance, Interceptor and Tactical Air Support units deploy to overseas locations under Tactical Air Command's Checkered Flag deployments program and in support of theater exercises. Theater exercises such as Display Determination, Dragon Hammer and Bright Star provide realistic, high threat scenario training by accomplishing predetermined exercise objectives and goals. Small scale overseas deployments such as Creek Corsair and Creek Thunderbolt permit advanced theater employment training for ANG aircrews in the Central European area.

Composite Force Training exercises are sponsored by the Air Force, the Air National Guard, Combat Readiness Training Centers (CRTCs) and individual units and occur throughout the year. These intensive, cost-effective activities continually upgrade the combat capabilities of ANG flying and support units. These exercises provide realistic training across the complete spectrum of ANG missions; their regional nature makes them ideal for participation by deployed or home station units. The ANG provides support for Army training, both active and reserve components, through the ANG Exercises and Deployments Program. Exercises such as those conducted at the National Training Center at Fort Irwin, California, the Joint Readiness Training Center at Fort Chaffee, Arkansas and Apache Helicopter training at Fort Hood, Texas, provide excellent joint force training to Army and Air National Guard units while expanding and refining joint tactics.

ANG KC-135 units support Strategic Air Command day to day alert and operational requirements worldwide in addition to training to meet wartime requirements. The KC-135 units deploy in support of U.S. Air Forces, Europe and Pacific Air Forces air refueling requirements. The goal of the ANG in these operations is to combine the highest quality air refueling support of European and Pacific tactical forces with intensive training in Europe and Pacific theater tactics for its aircrews and supporting personnel. Conventional task units are deploying to overseas training locations on a three year cycle.

There is considerable emphasis within the Federal Aviation Administration and the Department of Defense to better manage the airspace used by the military. Airspace is a precious national resource which must be shared by numerous users with diverse needs. Environmental factors must be thoroughly assessed and negative impacts minimized. As a result, the process of managing airspace is growing more complex.

The Air National Guard has begun development of a Long Range Airspace Plan. Proposals for new airspace and modifications to existing airspace are being developed to meet the needs of new weapon systems and missions. Fully coordinated with appropriate state agencies, the FAA, major command airspace managers, and the Air Staff, the process includes initiatives to improve scheduling effectiveness and a pro-active approach to solving environmental issues.

The Air National Guard currently operates one Air Combat Maneuvering Instrumentation (ACMI) range, and fifteen air-toground gunnery ranges. ACMI capability will soon be available at three additional ANG locations. The Air National Guard recently completed an ANG Master Range Plan that focused on our current range capabilities and current/projected user requirements. All ANG Fighter, Attack, and Reconnaissance units were surveyed to further identify the ANG's most pressing long range air-to-ground and air-to-air training range requirements. The ANG report identified needed improvement areas for existing ranges, and evaluated/prioritized several initiatives to construct new air-to-ground ranges. The Air National Guard is now working the process to implement the recommendations of this in-depth study.

The Air National Guard conducts officer and enlisted aircrew flying training through a combination of active Air Force, ANG, AFRES, and home station training programs. Fighter programs are conducted in F-16, A-7, RF-4 and F-4 aircraft at ANG schools. F-15 and A-10 programs are conducted using active USAF and AFRES schools. OA-37 training is conducted with ANG home station assets. Airlift programs are conducted at ANG and active USAF facilities, while formal tanker training relies solely on active USAF assets.

ANG schools located at McConnell Air Force Base, Kansas and Tucson, Arizona conduct F-16A training programs for ANG and AFRES students. Beginning in FY 90, the ANG will begin an innovative program of training Royal Netherlands Air Force pilots at the facility in Tucson. McConnell will phase out the remainder of ANG F-4 training during this fiscal year. Boise, Idaho remains in the RF-4 training business with the important new role of training active USAF aircrews beginning in the second half of FY 90. Air Defense training is conducted at the ANG school located at Kingsley Field, Oregon. F-16 pilots bound for the Air Defense version of the F-16A may receive training at the ANG schools in Tucson and McConnell until the current conversion schedule allows Kingsley to absorb the entire load of Air Defense training. A-7 training takes place at Tucson, Arizona. Tucson will retain the task of training both F-16 and A-7 pilots until the A-7 leaves the inventory.

The ANG conducts advanced tactical airlift training at the Advanced Airlift Tactical Training Center (AATTC), St. Joseph, Missouri. AATTC trains ANG, reserve, active duty, Marine, and foreign military crews in advanced combat tactics. Attendance at this school is highly sought by all potential users. The ANG also conducts C-130 initial qualification flight training at the 189th Tactical Air Group, Little Rock Air Force Base, Arkansas. The 189th receives students from across the spectrum of those completing academic and simulator training in the active duty school at Little Rock, Arkansas.

Each year, ANG communications personnel from joint communications support squadrons, combat communications groups, communications flights and engineering installation squadrons participate in numerous exercises around the world. During FY 89, over 2,000 communicators participated in over 20 exercises in the Pacific, Caribbean, South America, Middle East and European theaters. These exercises, conducted under a wide variety of circumstances and conditions, ensure our communications personnel are ready to meet their wartime commitments.

ANG C-130 units deploy overseas for exercise participation, scheduled rotations, Special Assignment Airlift Missions (SAAM), airlift in support of Guard unit deployments, USAF airlift augmentation missions and under the Volant Partner deployments program. In FY 89, four different units participated in Europe through JCS exercises and European augmentations. Also, four units participated in the Pacific Theater. All twenty ANG C-130 units can also expect to provide airlift for overseas deployment, employment and redeployment of other DOD personnel and materials throughout the year. Finally, Air National Guard C-130s rotate to Howard Air Force Base, Panama, in support of Southern Command forces.

The 27 ANG tactical control units are all worldwide wartime tasked. In order to successfully interface with other U.S. and allied existing tactical radar assets, it is vital that we deploy our units to various theater training locations. ANG tactical control units are also playing an increasing role in the Drug Interdiction program.

In addition to the Tactical Airlift C-130 units within the Air National Guard, the 193rd Special Operations Group at Harrisburg, Pennsylvania operates the EC-130E aircraft. This is the only special operations unit in the ANG. This unit participates in over thirteen scheduled exercises annually and in contingency deployments worldwide.

The ANG provides combat and peacetime rescue coverage with two active rescue units. Capabilities include worldwide deployment and theater search and rescue. Units currently deploy aircraft to the Pacific and European theaters to participate in alert missions at Keflavik, Iceland and to perform air refueling training with active duty rescue units throughout both theaters. A third Air Rescue unit will activate in Alaska in April 1990. This unit will take over the responsibility for search and rescue within the Alaskan theater when the current active duty unit deactivates.

The ANG unit at Schenectady, New York provides airlift support to the U.S. Navy Space and Warfare Systems Command's activities on the sea ice north of Greenland and to National Science Foundation sponsored American and European scientific camps on the Greenland icecap. This unit possesses a unique national resource as it has four of eleven snow ski-equipped C-130 aircraft in the Department of Defense. Additionally, the unit provides an extreme cold weather airlift capability throughout the Arctic and also has become increasingly involved in assisting the National Science Foundation in Antarctica by working with the U.S. Navy and providing airlift in support of the United States Antarctic program.

ANG Strategic airlifters support worldwide Military Airlift Command (MAC) requirements throughout the year. C-141 Starlifters and C-5 Galaxy aircraft support MAC by hauling routine and contingency cargo requirements. This support includes missions flown in JCS exercises, Special Assignment Airlift Missions, and on channel missions. These aircraft also provide invaluable support to Army and Air Guard units deploying to training locations throughout the world.

ANG assets are continually requested for exercise participation. The factors of funding constraints, workdays allocation, personnel availability, and airlift limit the exercise program to its current level of participation for the foreseeable future.

MOBILIZATION AND READINESS

The Army National Guard resource and training levels improved overall by 2.43 percent in FY 89. This increase is attributed to a 5 percent improvement in equipment on hand and a 4 percent improvement in equipment condition. Continued use of the Equipment Analysis Program, Dedicated Procurement Program, and intensive management of ARNG units and assets have been key elements in these equipment resource area improvements. However, due to funding constraints, overall improvements in the ARNG during FY 89 were not as significant as the 22 percent improvement achieved between FY 86/FY 89.

Due to shifting demographics, personnel category levels had a slight fluctuation during the past fiscal year, but by the October 1989 Unit Status Report, there was 1.27 percent improvement in personnel. To offset any negative demographic trend, NGB has taken aggressive action to manage sustainment of the current force structure, which includes considerations for restationing units to States that can better support force structure with personnel. Additionally, increased emphasis has been placed on maximizing unit training and enhancing training levels which are critical to maintaining the Army National Guard's force capability within the Total Army.

Based on these initiatives, the Director, Army National Guard has set specific mobilization readiness objectives for resourcing high priority units, reinforcing the "first to fight, first to be resourced" concept. Bringing all units in a C4 or C5 status to a C3 status on projected dates will require increases in ARNG resources and training levels for these units.

Overall, the ARNG is in a better posture than in any previous period; however, with slowing of force modernization, sustainment and continued improvements in the ARNG readiness posture requires emphasis on acquiring additional resources from Headquarters, Department of the Army and Congress.

NGB MANAGEMENT/UNITED STATES PROPERTY AND FISCAL OFFICES (USPFO)

The Army and Air National Guard budget for 1989 exceeded eight and one half billion dollars exclusive of major items of equipment, which are acquired by the Guard through Army and Air Force acquisition procedures. The Chief, National Guard Bureau exercises his responsibility for management of federal resources and accounting for Federal funds provided to State National Guards through a United States Property and Fiscal Officer (USPFO) located in each state and territory. USPFOs account for an Army and Air Guard equipment inventory valued at over $51,800,000,000 and a facilities inventory valued at approximately $20,800,000,000. The National Guard executes contracting actions involving in excess of $787,137,000 of Federal funds. The majority of these actions involve contracts of $25,000 or less but the bulk of the dollars are represented by a relatively smaller number of large Architectural/Engineering and construction contracts. During FY 89 the National Guard Bureau took on a modernization and upgrade of its in-house procurement workforce and continues in FY 90 to pursue more efficient and effective procurement offices throughout the 54 states and territories. This modernization has allowed the National Guard to achieve success in providing opportunities to small, disadvantaged and minority businesses while still maintaining an extremely high level of competition:

NGB '89 RECORD

	DOD GOALS	ATTAINED GOALS
Small Business Set-Aside	52.7%	58.1%
Small Disadvantaged Business Prime Contracting (8(a)) and Direct)	6.3%	7.7%
Women-Owned Small Business	$9.M	$9.6M
Contract Competition Goal	91%	95.9%

USPFOs are routinely inspected by auditors and Army Inspectors General with highly commendable results. The over 570,000 Army and Air Guardsmen are paid and supported through the exceptional performance of our USPFOs and their professional staffs. This unique federal/state relationship is an example of efficient management of a large and dynamic organization in a cost effective manner. However, the National Guard Bureau is concerned about the ability of the USPFOs to meet their responsibilities when current personnel resources only permit a nationwide average manning of less than 85 percent of requirements and at the same time National Guard roles and missions continue to expand. In addition, because of low federal pay scales, in some geographical areas it has become virtually impossible to retain employees who are trained, skilled and experienced in those functions essential to USPFO responsibilities.

FACILITIES

With significant Army National Guard force structure changes over the past 10 years as well as increased wartime missions, modernization of supporting facilities becomes a vital part of total readiness. Policies developed to provide adequate and functional facilities and infrastructure must, at a minimum, maintain the existing inventory and invest in a logical and prudent revitalization construction program. Through such revitalization efforts, the statement is also being made to the State and local communities as well as to our Guard members that the Army recognizes a commitment to the citizen-soldier by investing in modern facilities where they work and train. In return, such investments have high paybacks in improved morale, productivity, recruiting and retention, as well as improved warfighting readiness.

Current funding levels available to the Army, including the Army National Guard, have fallen short in both areas. The backlog of construction needs continue to grow in spite of Congressional assistance to acquire additional facilities beyond those requested in the annual Military Construction programs. Training ranges and regional centers, logistical and maintenance facilities for new weapon systems and armories for more intensive home station training to support the expanded missions are more complex and more costly to construct and maintain than in the past. The facilities required for aviation training, larger unit maneuver and weapons firing ranges must be compatible with the surrounding environment and available for year round use. Expansion of the local training area concept is a necessity to maximize training opportunities while reducing materiel operating costs. The enacted fiscal year 1990 Military Construction Program provides $223.49 million for constructing or up-grading these facilities. The accelerated rate of new facility construction over the past three fiscal years has considerably outpaced Real Property Maintenance (RPM) funding levels. RPM funding requirements will continue to increase proportionately. Degradation of not only older facilities, but also recently constructed facilities, will continue, if current levels of RPM funding are maintained.

Aircraft conversions, new missions and unit relocations have increased the need to replace or upgrade facilities at Air National Guard installations. Maintenance and repair resources dedicated to pavements and aircraft support facilities are not keeping pace with the more demanding criteria of newer series aircraft. Also, recently enacted environmental legislation will require a substantial increase in military construction funding to replace a significant portion of existing underground fuel storage tanks.

RESERVE COMPONENT AUTOMATION SYSTEM (RCAS)

The Reserve Component Automation System (RCAS) has been the subject of a continuing high level of Congressional interest and guidance. The Chief, National Guard Bureau is responsible for the RCAS by Congressional direction. The system will automate the data needed to mobilize the ARNG and the Army Reserve. It is crucial in improving the Reserve Component mobilization capability. In addition, the RCAS will substantially increase the efficiency of peacetime management of the Guard and Reserve. A Request for Proposals incorporating the Functional Description was formally released to industry on December 29, 1989. Proposals are due on April 30, 1990. The RCAS contract will be awarded after completion of a competitive demonstration and formal source selection. The Chief, National Guard Bureau is the Source Selection Authority.

The RCAS Program Management Office coordinated over 13,000 person days of effort with representatives from the Army National Guard, Army Reserve and Active Army to produce the Congressionally-mandated comprehensive functional description for the RCAS. Industry reviewed the draft functional description and its responses indicated the program is within industry capabilities. The RCAS program is achieving the objectives directed by Congress and we are managing resources in accordance with Congressional direction.

HUMAN RESOURCES

One of the National Guard's top priorities now and in the future is human resources. Our goal is a well trained, well equipped, and cohesive National Guard which is essential to the defense of our nation. Our personnel are entitled to serve in an environment that uses their talents, develops their potential, and recognizes their achievements. Our strong commitment to our members and their families must instill the highest sense of pride in themselves, their work, their uniform, and the National Guard mission.

To attain these goals, we strive to attract people with ability, dedication, and capacity for growth. We try to improve morale and productivity through visible and active command programs of equal opportunity and safety that exist as an integral part of the readiness of the National Guard and reflect the demographic mix of a state in that state's National Guard by using innovative methods to recruit, train, retain, and promote our military members, technicians, and civilian employees. We provide opportunity for upward mobility to leadership and management positions within the National Guard and make the National Guard a leader in the fair, equitable and nondiscriminatory treatment of all its members and employees. We strive to establish an environment that recognizes people as its most important resource, an environment that encourages teamwork and constructive working relationships, and employs the best available management practices, techniques and tools for the continuous pursuit of excellence, and enhance the members' military and civilian job performance by fostering cooperative relations between the National Guard and civilian employers.

SUMMARY

Americans and the Congress are placing their treasure and trust in the National Guard because they know an investment in the Guard is an investment in their future. This reliance in the Guard is what we have always wanted -- and the resources provided by the Congress permit us to accomplish our mission and provide our nation with a dedicated force of citizen-soldiers. Not everyone can serve in today's Guard since the demands are extraordinary. For those who do serve, however, we owe them the finest training and best equipment possible to assure their success. The National Guard has done everything our national leadership and the Congress have asked it to. We continue to assume increased missions, both federal and state, and we place immense demands on our citizen-soldiers. Our soldiers and airmen are expected to be prepared to mobilize, deploy and fight with little or no additional training or preparation -- more than we've ever asked of any generation of Guard members in the past. Yes, the Guard is a national security bargain but only if it can fight and win. The Guard has admirably demonstrated its capability to fight and win when properly trained and adequately resourced. The men and women of the National Guard fully deserve your support.

ARMY NATIONAL GUARD

STATEMENT OF MAJ. GEN. DONALD BURDICK, U.S. ARMY, DIRECTOR, ARMY NATIONAL GUARD

SYNOPSIS OF STATEMENT

Senator INOUYE. General Burdick.

General BURDICK. Thank you, Mr. Chairman. I do appreciate the opportunity to appear before your committee this morning and to testify in behalf of the almost 457,000 combat-ready citizen soldiers in our Army National Guard.

I want to thank this committee for its past support. With your help we have substantially increased the readiness of our Army National Guard. Last year almost 90 percent of all Army National Guard accessions were high school graduates, category IV soldiers, the lowest mental category, were less than 10 percent. Retention was also the highest ever with a loss rate of only 17.7 percent. This is the best of all of the three Army components.

Today we are manned with higher quality soldiers trained and equipped to a high level of readiness and modernized to a greater extent than ever before. As a result, the Army National Guard is the best it has ever been in our 353-year history.

During 1989, the strength of the Army National Guard reached the highest level ever. However, because of budgetary constraints, we were directed to undergo a programmed reduction of 10,000 soldiers in fiscal year 1990. Now, I should point out that no structure was taken out. We were directed to take no structure out. The soldiers were to be eliminated. We were then to maintain a level end strength of 447,300 soldiers until the report of the Total Force Policy Study Group is rendered and a determination made on the mix of the force. Currently, we are at 102-percent of our fiscal year 1990 programmed end strength of 447,300.

As a full partner in today's total Army, Guard units participate in training exercises, not only in the United States, but worldwide. Such training has contributed to the high state of mobilization readiness of our Guard units, especially those that are round out and capstoned to Active Army units.

As recently as Operation Just Cause in Panama, Army Guard soldiers provided military police support, ambulance, first aid, and interpreters to assist in the successful completion of the Army's mission. The Army National Guard, as I have said, is a combat-ready force, and this is due to the dedication of both our Army National Guard part-time, or traditional Guardsmen, as well as our full-time personnel.

The fiscal year 1991 President's budget supports the Army National Guard's Federal and State missions. I believe with the resources to be provided, we will continue to maintain a combat-ready force in a most cost-effective manner. We, however, must achieve and continue to achieve these three important goals. The first is to continue to recruit and retain high quality soldiers. Sir, the Guard will do this. Second, we must continue to improve readiness through individual unit leadership training. We will also accomplish this. Third, we must support the readiness of our individual soldiers, our unit, and the maintenance of our equipment by providing an adequate full-time support force. Presently this is our most critical need.

Mr. Chairman, this concludes my statement. As I said, I thank you very much for your past support, and I will be glad to answer any questions that you might have.

Senator INOUYE. Thank you, sir.

[The statement follows:]

STATEMENT OF MAJ. GEN. DONALD BURDICK

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I. FOREWORD

Today the Army National Guard (ARNG), our Nation's "Army on Call", has taken on new responsibilities. Manned with high quality soldiers, trained and equipped to a higher level of readiness, and modernized to a greater extent than ever before, the Army National Guard is the best it has ever been in its 353 year history. The Total Force policy and the resources provided by Congress have made this high level of readiness possible. However, this support must be continued to assure the completion of our modernization program and the full readiness of all ARNG units.

The ARNG has proven to be cost effective in performing both its state mission of providing military support to civil authorities and its federal mission of deterring war.

The ARNG improved dramatically during the decade of the 1980's:

--- End strength and force structure increased by approximately 100,000 to an End Strength of 447,300 for Fiscal Year 1990.

--- The number of ARNG units with early deploying missions increased 151%.

--- The number of new and existing units reporting an overall ready status to perform their wartime mission increased 36%.

--- High priority units are being equipped with the most modern equipment available to the Total Force.

--- Training opportunities have greatly expanded with the use of local, regional, national and joint training areas and centers. The use of high technology training equipment and training simulators enhanced our ability to make maximum use of limited resources.

--- Training opportunities for qualification of individual soldiers, leaders and units have been extended to include field environments around the world.

With Congress applying the necessary manpower and dollar resources, the ARNG will continue to meet the requirements of becoming an even more viable and cost effective military force. We look forward to the challenges and opportunities that this decade of the 90's will bring.

With mutual force reductions in Europe, reduced defense budgets and Active Component end strength cuts will make the ARNG more critical and cost beneficial in the future!

II. GOALS

Army National Guard soldiers are unlike any others in the world. The Guard was formed during the American Revolution as a militia that should, as George Washington felt, be trained and organized under a uniform national system in all states and subject to call into national service in war or other emergency. We have not changed that concept, but have improved it during our 353 year history. We will continue to improve and adapt to change as our country calls upon us. The ARNG gladly accepts its role as a citizen soldier force with a responsibility not only to support the states and territories when called upon, but also to defend our nation as a part of a military force to deter war and if this fails to fight and win.

To accomplish our missions through the year 2000, the ARNG must achieve four important goals. They are:

Personnel --- Retain quality soldiers, man our force structure, and obtain necessary Full Time Support (Active Guard/Reserve and Military Technician) manning.

Equipment --- Obtain state-of-the-art equipment and ensure quality maintenance for the entire equipment inventory.

Training --- Improve readiness through innovative individual, unit and leadership training which will provide fully trained units in a cost effective manner.

Construction --- Acquire essential facilities necessary to achieve and sustain personnel goals and acceptable levels of quality-of-live in work and training capabilities mandated by readiness requirements.

While focusing on these goals, we must also ensure attention is given to each citizen soldier. The safety and well-being of our soldiers and their families are important to the accomplishment of our mission. We must have soldiers who train in realistic, but safe, environments and who are physically fit and mentally ready to perform their duties.

III. MISSIONS

The Army National Guard is unique in that it has two distinctly different missions. The first mission is to provide support to civil authorities during emergencies such as natural disaster or civil disorder and, most recently, counter narcotic activity. The second mission is to provide properly trained and equipped units as a deterrent to war and to mobilize in the event of national emergency or war to provide combatant forces to the Commanders-in-Chief of Unified Commands.

A. STATE MISSION

Requests for ARNG support to civil authorities continued to increase during Fiscal Year (FY) 89. Our units provided support in 52 states and territories during 249 separate emergencies. This total included both civil disturbance operations and recovery operations following floods, tornadoes, hurricanes, and other natural disasters.

Most recently, the Guard provided assistance during relief operations after Hurricane Hugo and the earthquake in northern California. In addition, the ARNG provided humanitarian support by conducting search and rescue operations, supplying emergency power and water to communities, providing temporary shelter for the homeless, and evacuating critically ill and injured people.

The ARNG has been at the forefront of support to federal and state authorities in drug interdiction. Counter narcotics support is a vitally important mission and one which is uniquely suited to our role as citizen soldiers. The ARNG readily accepted the challenge and provided the first military support to counter-narcotics operations in 1983 in four states. The number of states involved in drug suppression operations has increased to 53 states and territories in 1989 providing 1,811 support missions. In 1990 all 54 states and territories will participate in counter-narcotics support.

B. FEDERAL MISSION

The ARNG provides properly trained and equipped units available for prompt mobilization in the event of a national emergency or war. Currently the ARNG provides 44% of the combat units, 31% of the total Combat Support, and 25% of the Combat Service Support units of the total force. This includes 36% of the total Army's combat divisions (10 out of 28); 26% of the Air Defense Battalions; 51% of the Field Artillery Battalions; 33% of the Aviation units; 41% of the Engineer Battalions and 25% of the Special Forces Groups. All of these forces will be used to support Commanders-in-Chief in their wartime mission.

IV. THE ARMY NATIONAL GUARD - PAST, PRESENT AND FUTURE

During the 1980's, end strength of the ARNG has grown over 100,000, combat equipment readiness on hand has reached over 88%, and the budget has increased from $2.1 billion in FY 81 to $5.3 billion in FY 90 for personnel, operations and maintenance and military construction programs. However, many challenges still remain. Constrained resources will require the ARNG to consolidate and sustain gains achieved in the 80's. Further, we must develop long-range plans which will creatively address our capability to support future missions. The ARNG must be prepared to assume new missions in such areas as counter narcotics while maintaining a high degree of readiness for its traditional Federal role.

PERSONNEL

END STRENGTH

As our Army National Guard enters the decade of the 90's, the ever changing environment, which dictates our missions and our resources, will impact on our strength. In FY 89, the ARNG achieved 99.99% of our budgeted end strength of 457,300. Recent end strength reductions for the total Army calls for a reduction in end strength for the Army National guard of 10,000 soldiers by the end of FY 90 to a programed level of 447,000. To support this reduction we must recruit and retain only the highest quality young men and women into the Army National Guard.

The requirement for quality leaders in the Army National Guard continues to be high on our list of priorities. In FY 89, the ARNG exceeded the officer strength mission. At the end of FY 89, Officer end strength was 50,112 which was slightly over the total officer Force Structure requirement of 49,767. In FY 91 we plan to maintain the same level of officer strength. Maintaining this strength level will require accessions of 4500 officers. We will access the highest quality officers from ROTC, State Officer Candidate Schools, and prior service commissioned officers.

RECRUITING

The Army National Guard recruiting programs for FY 89 were very successful in recruiting high quality non-prior service personnel into the Army National Guard. During this past Fiscal Year, 89.6% of all recruits were High School Graduates, and less than 10% were in Test Category IV. We attribute a large amount of our recruiting success to a program begun in the second quarter of FY 89. This program was called the "Directors Challenge". This program began by each State Adjutant General being sent a personal letter outlining a strength mission for his State. Ideas were provided on how to achieve each state's individual strength mission. One idea that paid big dividends was traditional emphasis on female recruiting. By stressing that 41 percent of our military specialties are open to women the ARNG recruited 1,500 more females than in the previous year.

During FY 90 and 91, the ARNG is focusing on recruiting the highest possible non-prior service personnel into the Army National Guard. For this reason, any reductions in the recruiting support and advertising budget will make these goals difficult to achieve.

FORCE STRUCTURE

Current ARNG force structure will remain at its current level until the completion of the Congressionally directed Total Force Policy Study in December, 1990. However, ARNG force structure initiatives continue to focus on conversion of separate maneuver brigades and corps level combat support/combat service support forces, to Army of Excellence designs.

The conversion of the 116th and 163rd Armored Calvary Regiments to separate Armor Brigades equipped with M-1 tanks had a major impact on the force structure of the northwest states. In addition, a light infantry battalion was activated in Alaska as a roundout battalion to the Active Components 6th Infantry Division (light).

Three Mobile Army Surgical Hospitals (MASH) were activated in FY 89 in Georgia, Ohio and Indiana, bringing the total number of ARNG hospitals to 24. The 25th hospital is scheduled for activation in Washington state in FY 91. In FY-89 the ARNG also activated its first non-divisional chemical units in Nevada and Illinois. A chemical brigade headquarters is scheduled for activation in Illinois in FY 90.

In Air Defense, the last Korean War vintage "Duster" unit was converted to a Chapparal Battalion. Three other Chapparal Battalions and a Air Defense Artillery brigade headquarters were also activated. The ARNG now has four divisional Stinger Battalions with one more to be activated in FY 91. With the activation of a Hawk Battalion in FY 91 the ARNG will have four Hawk Battalions on line. In addition one Vulcan/stinger battalion has been designated as roundout to the 6th Infantry Division (Light).

FULL-TIME SUPPORT

The full-time support program provides a cadre of full-time personnel at unit level and in support activities to enhance the ARNG readiness mission. Full-time support personnel are the backbone for organizing, administering, maintenance of equipment, recruiting and retaining, instructing and training in the Army National Guard. The program encompasses ARNG Active Guard/Reserve (AGR) Soldiers, ARNG Military Technicians, active component soldiers assigned to the ARNG, and Department of the Army civilians.

Faced with limited growth in FY90, the ARNG has redistributed AGR authorizations from one state to another to ensure some minimal manning for all units. Projected limitations on the AGR force and the National Guard technician force will impact adversely on the overall operational readiness of the ARNG and on our ability to achieve effective AGR and Technician career programs. The maintenance readiness posture is also adversely affected as we accept greater quantities of highly technical modern equipment and the corresponding increase in workload without equivalent Technician growth.

Career progression of these quality, professional full-time support soldiers is directly influenced by senior controlled grade authorizations provided by Congress.

B. TRAINING

The multitude of training opportunities available today for our ARNG soldiers and units is key to providing realistic, mission-oriented training, thus improving readiness. The Professional Development Program (PDP), Key Personnel Upgrade Program (KPUP), Overseas Deployment Training (ODT), CAPSTONE, training at the National Training Center (NTC) and at the Joint Readiness Training Center (JRTC), Battle Command Training Program (BCTP) and the Joint Chiefs of Staff (JCS) exercises are vital to meeting the ARNG's mission to provide combat ready units in support of the total force and Unified Commanders missions.

RESERVE COMPONENT TRAINING STRATEGY

The Reserve Component Training Strategy provides continuous focus on improving training readiness. The Strategy follow-up efforts have produced a training development action plan which addresses 38 initiatives to improve training in the five areas of soldier, leader and collective training, as well as training support and management. Skill Qualification Test upgrading and validation; enlisted and officer education systems; unit training aids, devices, simulations; and simulator acquisition are three significant issues. Department of the Army manages the program through semi-annual reviews and a General Officer Steering Committee to give priority focus to this important program.

PROFESSIONAL DEVELOPMENT EDUCATION

The Army's ability to field a combat-ready force requires the development of leaders who can, on short notice, deploy, fight, and win. Army National Guard soldiers continue to receive training in resident courses on the latest tactics, doctrine and systems, thus reinforcing MOS skills and leadership abilities. The Noncommissioned Officer Education System (NCOES) is our primary means of meeting these requirements.

Effective 1 October 1987, the Reserve Component Noncommissioned Officer Education System (RC-NCOES) was revised to include Military Occupational Speciality (MOS) specific tasks as well as leadership training and battlefield survival skills. RC-NCOES now consists of four levels of career development training. These levels and the corresponding courses at each level are the primary level - the Primary Leadership Development Course (PLDC), The basic level - the Basic Noncommissioned Officer Course (BNCOC), the advanced level - the Advanced Noncommissioned Officer Course (ANCOC), and the senior level - the United States Army Sergeants Major Course (SMC). The BNCOC and ANCOC have been developed for presentation in two phases (Phase I and Phase II). Phase I training consists of common leader training and the Phase II provides the MOS-specific training.

ARNG and United States Army Reserve Forces (USARF) Schools trained 24,000 soldiers in PLDC, Phase I of BNCOC, and Phase I of ANCOC in fiscal year 1989. The total number of soldiers requiring training is expected to increase for the next three years as implementation of the Phase II, MOS-specific courses begins.

The ARNG is currently developing a plan to implement the Phase II, MOS-specific training. The majority of courseware is projected to be completed during FY 90 with the program available for use in FY 91.

Additionally, soldiers continue to be trained at the Reserve Component Tank Commanders Course (RCTCC). This course prepares ARNG NCOs and officers for the duty position of tank commanders in a tank armor company or Cavalry troop. Attendees programmed to attend through FY 91 remain consistent with the number of soldiers trained in FY 89. Expanded training will be provided to include the M60A3 and Abrams Tanks beginning in FY 90.

The ARNG NCO Battle Skills Course (BSC) was developed to sustain combat skills. BSC provides training in the technical and tactical employment of infantry squad, platoon weapons, live fire exercises, and the use of supporting battlefield survival techniques. The National Guard trained 526 soldiers during FY 89, and FY 90 and 91 objectives are similar.

KEY PERSONNEL UPGRADE PROGRAM (KPUP)

KPUP deploys soldiers to train one echelon above their current positions or at a facility with a higher overall support mission. The training received during these deployments is reflected in the readiness and understanding of the soldiers as they return to their states. KPUP, a Branch/MOS enhancing program, strives to link soldiers to units within their CAPSTONE Trace, in support of the TOTAL ARMY policy. Since 1981, approximately 37,000 ARNG soldiers have deployed to 92 locations within CONUS and trained in 27 countries supporting humanitarian and mobilization training.

OVERSEAS DEPLOYMENT TRAINING (ODT)

ODT provides Army National Guard (ARNG) units and unit cells the invaluable opportunity to train in their wartime theater of operations under their CAPSTONE gaining command. In addition to honing their warfighting skills, ODT participants familiarize themselves with their assigned area of operations and learn the operating procedures of their CAPSTONE affiliate. ODT also serves as an excellent mobilization planning and execution exercise for ARNG units. In FY 90, over 22,000 Guardsmen performed ODT with about the same number programmed for FY 91.

THE NATIONAL TRAINING CENTER (NTC)

The NTC is the Army's premiere collective training center. It provides the most realistic mid to high intensity combat environment available in peacetime. Since 1983, twelve Army National Guard roundout battalions have trained at the NTC. Current schedules call for four battalions to train at the NTC in FY 90 and FY 91, and two battalions in FY 92. In addition, the ARNG takes advantage of the excellent training opportunity provided by the opposing forces at the NTC. For this mission the ARNG will provide fourteen companies in FY 90 and ten companies in FY 91.

THE JOINT READINESS TRAINING CENTER (JRTC)

The JRTC is the combat training center for low to mid intensity conflict, with primary emphasis on the Total Army's light, airborne, ranger, air assault, and conventional infantry forces. In 1989, two ARNG battalions participated in JRTC exercises. There is a single battalion rotation scheduled for FY 90 and two battalion rotations in FY 91. Additionally, the ARNG will provide two companies during FY 90 to act as a part of the opposing force at the JRTC.

JOINT CHIEFS OF STAFF (JCS) EXERCISES

JCS exercises provide ARNG units the opportunity to train in a simulated wartime environment alongside elements of the Army, Navy, Air Force, and Marines. JCS exercises allow all ARNG elements, combat,

combat support, and combat service support to work together as they would in wartime and demonstrate that it is a viable, effective fighting force during operations with other services. Participants improve their warfighting skills in a pressure-packed environment. JCS Exercises also give ARNG leaders the chance to conduct mobilization planning and execution and to evaluate unit war plan development and operating procedures. CAPSTONE associations are strengthened, and during those joint and combined exercises participating units are also able to familiarize themselves with their wartime missions and CAPSTONE theater of operations. Currently 16 JCS exercises are scheduled for FY 90 and 16 for FY 91.

SPECIAL OPERATIONS FORCES (SOF)

The Army National Guard is continuing to develop its Special Operations Forces (SOF). An ARNG SOF General Officer Steering Committee has been formed and met for the first time in FY 89 to address improvements in the force. In FY 90, the ARNG plans to form an ARNG Special Forces (SF) MOS Qualification Task Force to address initiatives for improving the overall MOS qualification in ARNG SF units. Upon activation of the Army Special Operations Command (ASOC) as a MACOM, the ARNG will be represented with an ARNG Major General in the position of Deputy Commanding General. Two ARNG Special Forces Groups and one Special Operations Aviation Battalion continue to participate in training during worldwide deployments in support of theater level operations.

THE BATTLE COMMAND TRAINING PROGRAM (BCTP)

BCTP is the capstone of the Army's Combat Training Center (CTC) unit training programs. It provides Corps and Division Commanders and Battle Staffs with intensive training in the operational level of war without costly maneuvering by their major subordinate commands. This is accomplished by employing state-of-the-art training simulations to portray the subordinate unit actions against a professional opposing force. BCTP also employs a dedicated staff of Observer/Controllers, who facilitate the training through detailed after action reviews and the preparation of post exercise sustainment training programs. Since its start in late FY 88, two Corps and fifteen divisions have been trained - three of which were ARNG Divisions. Based upon their experiences, we are now developing a Reserve Component configured BCTP that will be tested in FY 91. Once tested and validated, this program will allow increased frequency of ARNG exercises up to an objective of once every other year.

AVIATION TRAINING

The ARNG has two centralized Army Aviation Training Sites (AATS) which provide aviation training for the ARNG. These sites, the Eastern and Western AATS, are located in Pennsylvania and Arizona, respectively. In 1978, the ARNG began developing the concept of centralized ARNG Aviation Training Sites (AATS). The concept was based on an assumption that Active Component capabilities would be constrained in the 1980's and beyond.

The Eastern AATS is entering its seventh year of training operations in FY 90 focusing on individual aviator qualification training in utility and cargo rotary wing aircraft as well as selected fixed wing aircraft. The Western AATS begins its third year of limited operations in FY 90 concentrating on attack and aeroscout rotary wing training. During FY 89, the AATS program trained 1069 students, a number which will be equalled in FY 90 and 91. Nearly 11,000 flying hours were executed in support of the student training during FY 89. Over 12,000 flying hours are programmed to support training activities during FY 90.

The Eastern AATS operates a regional UH-1H synthetic flight training system supporting Active Component, Army Reserve and Army National Guard aviators on a regional basis. Both training sites operate an AH1 (Cobra) Flight Weapons Simulator (FWS) on a regional support basis. Over 28,000 hours of creditable aircrew flying hours were accomplished in these simulators during FY 89. That accomplishment will be surpassed in FY 90 and 91 as AH-1 aircraft are fielded in ARNG units .

As resources become more constrained in FY 90 and 91, the role of these training sites will assume greater importance. More emphasis on resource intensive training will occur to minimize the impact of possible reductions in flying hours, training time and limited availability of aviation compatible training areas in metropolitan areas. The ability of the AATS program to meet this role will be limited without the necessary full time AGR personnel. The training capability of the Western AATS is currently constrained due to limitations on personnel growth. Moreover, the premobilization preparation of both sites to expand the Army's aviation training base upon mobilization will be adversely affected without sufficient full-time manning.

In FY 91, the ARNG will field two new generation UH-1 Flight Simulators to support ARNG aviation training requirements. The two cockpit devices will be located at ARNG sites in Los Alamitos, California and Peoria, Illinois to provide regional support to Active Army, ARNG and Army Reserve aviators. The new devices are the result of a Grumman Electronics Contract for development of a prototype simulator based on new computer software language. This effort is the forerunner that will allow replacement of existing mainline computers, as well as split-out and redistribution of UH-1 simulator cockpits. Military construction for facilities to accommodate these simulators will be completed in late FY 90.

The first ARNG Apache Attack Helicopter Battalion was fielded in North Carolina and was certified combat ready in FY 88. In FY 89, a second ARNG Apache Attack Helicopter Battalion in South Carolina began training at home station and will deploy to Fort Hood for combat certification in June 90. Battalions in both Florida and Utah began training at home station in FY 90. Each Apache Battalion requires an increase of approximately 35 personnel to provide needed full-time support; however, with continued constrained growth in full-time manning the aggregate shortage for the next three Apache battalions, located in Texas, Arizona and Idaho will increase to more than 100 full-time personnel in FY 91.

The ARNG has established mandatory Night Vision Goggle (NVG) qualification for all ARNG helicopter pilots. All pilots are now NVG qualified during initial flight training at Fort Rucker, Alabama. In addition, NVG mission training in unit tactical tasks was mandated for specific positions identified by the unit commanders. More than 80 percent of all ARNG aviators are now NVG qualified, with more than 30 percent mission trained. The goal of the ARNG is to have 100 percent of our pilots NVG mission trained by the end of FY 90.

TRAINING SYSTEMS

To date, 5,300 Electronic Information Delivery Systems (EIDS) are being fielded along with 6,400 hours of courseware which is under development. EIDS is an interactive learning system with which individuals and small units will be able to learn and sustain military occupational job skills. The ARNG has continued fielding of the Multiple Integrated Laser Engagement System (MILES). Currently three platoon sets have been fielded for each battalion and squadron in the ARNG.

The Guard Unit Armory Device, Filigree Interactive Simulations Trainer (GUARDFIST I) for M-1 Tank crews has reached the prototype stage with 10 devices being prepared for testing during FY 90. GUARDFIST II, a fire observation trainer, continues under development with prototypes also scheduled for testing in FY 90.

To provide for infantry training on fire control, fire distribution and junior leader training in an indoor environment a Squad Engagement Training System (SETS) prototype is currently being tested. In addition Precision Gunnery Training Systems (PGTS) for TOW and DRAGON antitank systems will allow gunnery training indoors or outdoors at home stations once they are fielded.

REGIONAL TRAINING SITES

The Regional Training Site - Maintenance (RTS-MAINT) program provides centralized, regional hands-on training on current and force modernization systems. Individual transition level training and additional skill identifer (ASI) training on force modernization equipment and sustainment training for designated military occupational specialities (MOS) are provided at these facilities.

The Army National Guard has proponency for thirteen RTS-MAINT sites. Training programs have already been initiated at Fort Bragg, NC, Camp Shelby, MS; Fort Dix, NJ; Camp Dodge, IA; Camp Blanding, FL; Camp Roberts, CA; and Camp Custer, MI; Camp Ripley, MN; Gowen Field, ID; Nickell Barracks, KS; and Fort Stewart, GA. An additional site in Jefferson City, MO is scheduled to open in FY 90. The final site is scheduled for FY 92 in Pearl City, HI.

The New Jersey National Guard High Technology Training Center (HTTC), provides a training environment to conduct individual, small unit, and battle staff training using simulations, training devices and equipment end-items, to enhance proficiency in the weapons systems of the Army of Excellence, and the tactics applicable to the Airland Battle. The HTTC provides training seven days per week; twelve months of the year to personnel from NJARNG, USAR, USAF, CONUSA, and Fort Dix. The NJHTTC includes a Regional Training Site - Maintenance (RTS-MAINT), a High Technology Training Center (HTTC), a Training Technology Field Activity (TTFA) and a Range Training Support Activity (RTSA).

The Army National Guard has two Regional Training Sites-Medical (RTS-MED) at Camp Shelby, MS, and Fort Indiantown Gap, PA. These sites provide medical units with transition training on modernized medical equipment such as Deployable Medical Systems (DEPMEDS), sustainment training, and has the mission to provide emergency medical support to disaster areas. DEPMEDS training to Reserve Component units is of paramount importance since 70 percent of the Army's field medical support lies with RC units which will be trained at RTS-MEDS. During Huricane Hugo DEPMEDS equipment from Camp Shelby was used to support much needed medical support.

SPECIAL TRAINING SITES

Since 1986, the ARNG has trained at a fully operational and provisioned "warm base" European Aviation Classification and Repair Activity Depot (AVCRAD) facility at Brussels, Belgium. This facility is manned by Army National Guard AGR soldiers and contractor personnel in peace time and will be operated by Army National Guard units upon mobilization. Currently, aviation maintenance personnel from the California, Connecticut and Missouri AVCRADS are conducting Overseas Deployment Training at this site to maintain peacetime equipment and training readiness.

In FY89, the ARNG began managing the Equipment Maintenance Center (EMC) at the General Support Center, Kaiserslautern, Germany. Staffing at this site consists of ARNG, USAR and Active Component personnel. The mission of this facility is to provide "hands on" training in Europe for ARNG maintenance units.Maintenance is performed on U.S. Army Europe (USAREUR) equipment that the unit would maintain upon deployment. This Reserve component Maintenance Training Facility has improved the training readiness of ARNG heavy equipment maintenance units while reducing the General Support Maintenance backlog in USAREUR.

TRAINING AREAS AND RANGES

The ARNG Range Modernization Program supports units by providing up to date weapons firing facilities and training areas close to their home station. The program is oriented on improving readiness by providing ranges for both individual and crew qualification. It is also geared to cost-savings by developing, acquiring, and upgrading training areas which maximize training time while reducing operating costs. The range modernization program received over $17 million in FY 89 and is projected to increase to approximately $65 million for FY 90 through FY 92.

The Range Modernization Program supports the development of training facilities and land to provide individual and collective training for all ARNG units at 71 ARNG Major Training Areas. Without these programs, ARNG units would spend valuable training time and funds traveling to and from distant active component training sites. Improvement of these areas with such facilities as computerized target systems, modernized barracks, and educational facilities allows training to current Army standards required for mobilization.

MOBILIZATION TRAINING

The Army National Guard (ARNG) Mobilization and Deployment Exercise Program continued to receive emphasis as an essential element of verifying a units mission capability during FY 89. These exercises are progressive in nature and increasingly challenge the participants to realistically evaluate mobilization planning and execution.

The ARNG Mobilization Exercise Program consists of four exercises designed to address all phases of the mobilization process. Three of these [the State Areas Command Exercise (STARCEX), the Mobilization and Deployment Readiness Exercise (MODRE), and the Readiness for Mobilization Exercise (REMOBE)] are executed as comprehensive evaluations of unit mobilization plans, administrative procedures and personnel preparedness. The Emergency Mobilization and Deployment Exercise (EMDREX), is an exercise designed to test the ability of selected high priority ARNG units to respond, prepare and depart for the mobilization station within 72 hours of federalization. This has become the cornerstone of the ARNG exercise program to insure that the first to mobilize sustain the required high level of preparedness.

The number of exercises conducted has increased since FY 84 from 400 exercises to over 900 in FY 89, while exercise funding has remained constant at about $12 million. This growth has been achieved by encouraging conduct of exercises in conjunction with inactive duty training periods and other mobilization related training events, rather than as separately funded exercises. The ARNG Exercise program growth has now leveled at approximately 900 exercises annually.

In FY 89, the ARNG initiated a program to improve both the mobilization preparedness and readiness of selected high priority ARNG units. This program is specifically designed to improve the readiness of these units through equipment redistribution, recruiting and retention incentives and exercise training opportunities. These exercises test all phases of the mobilization process to include commercial loadout of unit equipment, movement to the mobilization station and an initial assessment of the units deployability.

FY 90 will see continued emphasis on exercising high priority force package units, as well as improving the quality of all exercises conducted. With the leveling off of funding, quality exercises are the only avenue for insuring maximum results from time and dollars expended. Currently, as a result of budget constraints, exercise schedules have been curtailed to the point where lower priority units are unable to conduct all exercises required by regulation to meet minimum proficiency. FY 90-91 is an especially critical period, as the Headquarters, Department of the Army, CALL FORWARD series of exercises begins. It is essential that the ARNG fully participate in this series of exercises. As the U. S. Army draws down there will be continued reliance upon the mobilization capabilities of the ARNG and the only way to assure this capability is through a fully executed Mobilization Exercise Program.

C. EQUIPMENT

SURFACE EQUIPMENT

Despite the reduction of procurement programs in recent years, equipment deliveries to the ARNG continue to set records. Equipment valued at $2.9 billion was delivered to Army National Guard units in FY 89 with another $2.9 billion anticipated in FY 90. This value represents a sizeable increase over the $2.7 billion delivered in FY 88 and can be attributed to continued modernization of ARNG combat units with new and displaced Army equipment and delivery of Dedicated Procurement Program equipment. The distributed equipment included such major systems as the M1 Abrams Tank, M60A3 Tank Thermal Sight Tank, Improved TOW Vehicle (ITV), M198 Howitzer, Battery Computer System (BCS), Chaparral, Heavy Expandable Mobility Tactical Truck (HEMTT) and High Mobility Multipurpose Wheeled Vehicles. Equipment On Hand readiness has reached record high levels as a result of these deliveries and inventory management efforts. Despite these gains, however, the ARNG remains short $6.9 billion of equipment. The most critical shortages are medium and heavy tactical wheeled vehicles, tactical communications equipment, support items such as tools, test equipment, and fuel hauling equipment.

COMBAT VEHICLES

The modernization of the ARNG's armored forces has continued at a steady pace with the introduction of the M1 Abrams into the non-roundout units and the M60A3 Tanks into ARNG divisions. The ARNG armor force will be equipped with M1, M1A1 or M60A3 Tanks by FY 92. M1 and M1A1 Tank Displaced Equipment Training (DET) will continue at Gowen Field Idaho while the M60A3 DET will remain at Camp Shelby Mississippi. M1 fieldings in FY 90 include the 116th Cavalry Brigade (Idaho/Oregon ARNG) which is now a roundout to the 4th Mech Division, 107th Armored Cavalry Regiment (Ohio ARNG), and the 3-123 Armor Battalion (Kentucky ARNG). M-60A3 fieldings to divisions in FY 90 are to the 35th Infantry Division (Nebraska/Kansas ARNG) and the 38th Infantry Division (Indiana/Michigan/Ohio ARNG). All the ARNG fieldings are now under the unit-to-unit transfer program which eliminates depot upgrade prior to transfer to ARNG units.

Bradley Fighting Vehicles (BFV) will be fielded to the 256th Infantry Brigade (Louisiana) and to the 2-136th Infantry Battalion (Minnesota) in FY 90. The fielding of the final Dedicated Procurement Program funded M901A1 Improved Tow Vehicles will be completed in FY 90. M113A3 Armored Personnel Carrier fieldings are continuing to the 32nd Brigade (Wisconsin), and the 40th Infantry Division (Mech) (California) will begin its fieldings in FY 90.

Finally, the Fire Support Team Vehicle (FISTV) will begin fielding to the ARNG non-roundout units in FY 90 and will continue through FY 94.

TACTICAL WHEELED VEHICLES

The continuing shortage of 5-ton cargo trucks in the medium tactical wheeled fleet remains the ARNG's most critical need. Of a requirement of 13,800 vehicles, the percentage of 5-ton cargo trucks on hand is less than 35 percent. Further compounding the issue is the fact that the majority of the 4,862 5-ton cargo trucks on hand are beyond their designed service life expectancy. Positive action to improve the ARNG posture of 5-ton cargo vehicles includes the procurement of 1,818 vehicles from Dedicated Procurement Program funds. Receipt of these vehicles will increase the ARNG readiness posture to 47 percent of fill in the medium fleet.

The light tactical wheeled vehicle fleet is not outdated when compared with other parts of the vehicle inventory. In addition, vehicles are on hand in sufficient quantities to prevent readiness impact. The ARNG is concerned that the planned procurements of High Mobility Multipurpose Wheeled Vehicles will not support minimum levels of issue in the ARNG. Continued use of significant quantities of obsolete older gasoline vehicles will result.

Several members of the heavy fleet of tactical wheeled vehicles, like the medium fleet, are overage by many years and in short supply. The M123 10-ton tractor, for example, is in excess of 25 years old and it remains the only real heavy haul capacity in ARNG Engineer Battalions. Production of the M916 truck tractor is necessary to replace the 645 gasoline powered M123 vehicles.

The Army suspended shipment of the cargo variant of the Heavy Expanded Mobility Tactical Truck (HEMTT) to ARNG units in FY 89 to shift the equipping effort to the Palletized Loading System (PLS). This action, in addition to shortfalls in HEMTT wreckers and fuel trucks, leaves the ARNG short approximately 1,516 HEMTT to meet minimum readiness standards.

The impact of over age gasoline powered vehicles in the tactical wheeled vehicle fleet is serious. Air Land Battle 2000 guidance would prefer to have only one common fuel (diesel) to supply on the battlefield. Parts are getting increasingly harder to obtain for the older models and certain vehicle types can only be supported through repair parts canibalization and procurement from commercial vendors. Training of mechanics and stocking of repair parts also require additional resources when the fleet is over age and difficult to support.

In an attempt to control the problems in the tactical fleets of the Army, the Army Tactical Wheeled Vehicle Modernization Plan (ATWVMP) was developed. In addition to planning for procurement and overhaul of trucks, in out-years, to provide economically supportable and reliable equipment, the ATWVMP calls for the early retirement of many of the vehicles that are now problems. Several types of older vehicles cannot be retired; however, due to readiness impact on units.

DEDICATED PROCUREMENT PROGRAM

The continuation of the Dedicated Procurement Program (DPP) Appropriation into FY 91 will allow the ARNG to maintain its established momentum in improving Equipment on Hand (EOH) Readiness. These separately appropriated funds, over $1.7 billion since FY 82, have improved EOH readiness over 20 percent. The funds appropriated for FY 90 are procuring such readiness significant items as 300 M113 Armored Personnel Carriers, Tactical Refueling Trucks, 96 Light Equipment Tractors (M916A1), C23 Cargo Aircraft, and 30 million dollars in miscellaneous equipment. When delivered these critical equipment items will significantly improve overall ARNG unit readiness.

COMMUNICATIONS-ELECTRONIC EQUIPMENT

The Signal Corps is currently undergoing the largest modernization effort in its history. Mobile subscriber equipment (MSE) offers all Corp and below commanders secure voice, data, and facsimile communications in the equivalent of an advanced cellular telephone system. The ARNG is being equipped with approximately 40% of this 4.3 billion dollar communications improvement. MSE has been successfully fielded in one Signal battalion in Arkansas and two signal battalions in Texas with additional fieldings in New Jersey, Iowa and Michigan in FY 90 and 91.

As of FY 89, all ARNG Divisional Signal Battalions have been equipped with Multichannel Army Tactical Area Communications System. Much of this equipment has been procured with funds made available by Congress for communications equipment since FY 79. ARNG divisions have now attained limited interoperability with all other Army elements. The command and control problems solved by this modernization program and the speed with which it was accomplished constitutes a great success story.

Modernization of signal units at above division echelons has progressed successfully. The ARNG has some shortages in the Communications Security (COMSEC) equipment; however, expected receipt of 2,000 bulk enscription devices will resolve 80 percent of ARNG COMSEC equipment shortages for these units.

Shortages of the An/VRC-12 family of radios are the greatest shortfall in go to war capability. The ARNG continues to address this problem by purchase of radios with Dedicated Procurement funds. The AN/VRC-12 radios are of older design. It is hoped that the receipt of SINCGARS radios in two brigades in FY 90 and 91 and receipt of radios displaced by the fielding of SINCGARS to the Active Component will eliminate the need to initiate new procurement of AN/VRC-12 radios in the future.

MEDICAL EQUIPMENT

Since 1984, the ARNG has invested over $45 million in the modernization of medical and dental equipment sets which has significantly increased the readiness posture of medical/dental units within the ARNG. Modernization of medical and dental equipment sets will continue in FY 90 with an additional $5 million allocated for this purpose. The increase in readiness applies only to non-hospital units. Critical shortages in non-hospital units are now being fielded. These include Dental Chair and Stool Units, Dental Equipment Sets, Dental X-Ray Units, Defibrillators and Monitors, Lab Sets, Veterinary Sets, Field Hygiene Sets, and Optical Fabrication Units. Shortages still exist in Sterilizers, Surgical Sink Units, X-Ray equipment, and Dolly Sets. To increase readiness within the hospital units, the ARNG is programmed to receive 25 sets of Deployable Medical Systems (DEPMEDS), one per hospital. Fielding for DEPMEDS began in FY 88 and is scheduled to be completed in FY 96. Each Hospital unit will receive a Minimum Essential Equipment for Training (MEET) set at home station with a complete set going to POMCUS, POMCUS Unit Residual Equipment (PURE in CONUS), or Primary Mobilization (PRIMOB) storage in CONUS. This fielding will have a significant impact on sustainment of MOS skills and individual and section level training, however, readiness of PRIMOB units is still questionable. Equipment at PRIMOB sites is not configured in unit sets and is considered war reserve. Upon mobilization, any higher priority deploying unit can fill its shortages from this storage site. When the RC Hospital deploys there is no guarantee they will have a functional hospital available. This is a significant readiness concern for the ARNG.

AIR DEFENSE EQUIPMENT

Air Defense Artillery (ADA) is one of the most extensive modernization efforts in the Army National Guard and the Total Force today. Since 1983, the ADA capability within the ARNG has expanded from the Korean era "Duster" short-range air defense system, found only in the ARNG, to the resourcing of multi-level air defense systems for both Active Component and the ARNG. At the end of FY 90, ARNG ADA will consist of one Vulcan/Stinger Battalion, one Duster/Stinger Battalion, three Stinger Battalions, eight Chaparral Battalions, and three Hawk Battalions.

In FY 91 the Duster/Stinger Battalion will convert to Stinger only and a Hawk Battalion will join the force. The continued modernization of the ARNG ADA units, located in 10 States, is a critical component of the combined arms team necessary to meet the needs of the Total Army. ARNG modernization is dependent upon the air defense systems being displaced from the Active Component by the new Forward Area Air Defense (FAAD) system and upon an increase in the ARNG ADA force structure.

FIELD ARTILLERY

Fielding of the M119 Light Gun System in ARNG units will commence FY 91. Several items of equipment for establishing a gun site and communication of fire direction information are of interest. The fielding of the Battery Computer System has been delayed, currently the ARNG has 47 percent of its requirements on hand. Dedicated Procurement action to further support Battery Computer System requirements is under consideration. The Position Azimuth Determining System (PADS) is currently being fielded and forty percent of the ARNG requirements have been filled. Fielding will continue through 2d Qtr FY 91 when two thirds of the ARNG requirements will be met. The fielding of a battalion set of Multiple Launch Rocket Systems (MLRS) to the ARNG in

FY 92 will increase the MLRS fielded to the ARNG to two sets.

There are several programs which will improve the efficiency of the ARNG howitzer units with the focus on the M109 Self-Propelled Howitzer. First is the Howitzer Improvement Program (HIP) which is funded to upgrade Active Component FA units and their ARNG roundout units. Second is the Reserve Component Modernization of Artillery Systems (RCMAS) program. This program will provide new gun tubes and gun mounts for all ARNG (and USAR) M109 155mm Self-Propelled Howitzers, except those in the HIP program. The new tubes and mounts will increase the range and improve the combat effectiveness of ARNG FA units. The final program is the Nuclear, Biological and Chemical (NBC) Product Improvement Program (PIP). This will increase the survivability of the ARNG's M109 Howitzers in the NBC warfare environment. The net result of these programs, all scheduled for completion in FY 93-94, will be an increase in the firepower and survivability of the ARNG's M109s. The aging fleet of M110 8 inch Self-Propelled Howitzers will not receive corresponding improvements. The ARNG is currently short both the M109 and M110 Howitzers.

The shortage of these howitzers has prevented the ARNG from transitioning to the 3 by 8 configuration from the 3 by 6 configuration currently in effect.

AVIATION EQUIPMENT

The ARNG is participating in the Army's Aviation Modernization Plan (AAMP). This plan includes 12 attack helicopter battalions (AH-64 Apache advanced attack helicopter) to be fielded to the ARNG. Four AH-64 battalions will be fielded by the end of FY 90 and the remaining eight by FY 94. The modernization of CH-47A/B/C helicopters to the CH-47D has also begun with the ARNG receiving its first eight CH-47D aircraft in FY 89. By FY 94, the ARNG will have received 96 of its required 112 CH-47D medium lift cargo helicopters.

Although the ARNG is beginning to modernize its aging helicopter fleet, we are still faced with shortages that will impact on force readiness into the late 1990s. These shortages exist in attack utility, scout and heavy lift units. In FY 90, the ARNG will have 33 corps or divisional units that require attack helicopters. Of these, the ARNG inventory of AH-1S Cobra helicopters is scheduled to increase with the fielding of Apaches to the Active component. As Apaches displace Cobras in the Active Army, the Cobras will be transferred to ARNG units. Seventy-seven AH-1 Cobra helicopters are required by ARNG units to replace the UH-1Ms over the next 2 years.

The ARNG continues to look at innovative ways to manage shortages in the ARNG utility helicopter fleet. The vast majority of the current fleet consists of over 1,100 Vietnam era UH-1H aircraft. The AAMP addresses the problem of our aging UH-1H fleet and over the next 6 years, will provide a limited number of UH-60 Blackhawks to designated ARNG units.

In FY 90-91, the ARNG will receive 16 C-23, two C-12, and two C-26 aircraft as a result of Congressionally directed procurement. This will dramatically improve our aging fixed wing fleet; however, we will still be short 52 first line fixed wing aircraft to meet mission requirements. The balance of fixed wing requirements are filled by the aging/substitute U-8/T-42 aircraft. This use of substitutes, again, places the ARNG in the position of having to train with aging aircraft since over 50 percent of our fixed wing fleet is more than 20 years old. ARNG aviation requires 5,917 of the AN/AVS-6 (ANVIS) Night Vision Goggles for its flight crews. There are only 200 ANVIS in the ARNG so training is being done with the 2600 AN/PVS-5 Night Vision Goggles in Aviation units until more ANVIS are received. This shortage of Night Vision devices may prevent aviators in ARNG from achieving the goals of 100 percent mission trained until FY 91 or later. Until all ARNG aviators are NVG qualified and mission trained, units will only have night operational capability with selected crews. The impact on the Total Army's ability to achieve sustained NVG operations could be impaired if the ARNG is not provided sufficient NVG to achieve 100 percent qualification.

ORGANIZATIONAL CLOTHING AND EQUIPMENT

OCE shortages continue to be reduced through FY89. Due to the tight budget in the OCE area, it appears that the shortfall will start to increase in FY90 from the FY89 level ($257M). This backlog was at an all time high of $400 million in FY86.

The Army is engaged in efforts to enhance the improved and modernized OCE which includes Extended Cold Weather Clothing System (ECWCS), Field Pack Large with Internal Frame (FPLIF), Individual Multi-Purpose Shelter (IMPS), Individual Tactical Load Bearing Vest (ITLBV), Multi-Purpose Rain/Snow/CB Overboots (MULO), Extreme Cold Weather Sleep System (ECWSS). These items are needed to improve survivability for the individual soldier on the modern battlefield by providing state-of-the-art, weather resistant, camouflage and ballistic protective clothing and equipment.

During FY88 the ARNG procured additional camouflage screens and support sets because they were available in large quantities for the first time in 5 years. At the end of FY88 an additional $25M was reprogrammed specifically for camouflage screens and support sets. These sets were received during FY89 bringing the ARNG on-hand status to 87% as of February 1990.

MAINTENANCE SUPPORT

ARNG ground Operating Tempo (OPTEMPO) is fully funded in FY 91 at 288 miles to maintain adequate readiness. High priority units are expected to achieve C2 readiness levels. Lower priority units will continue to maintain C3 levels. This OPTEMPO level is consistent with previous years and compares favorably with the Active Army ground OPTEMPO program. As the level of equipment and the level of effort increases, additional resources may be required.

The Air OPTEMPO is fully funded at 8.9 hours per crew per month. This index represents a total Flying Hour Program (FHP) of 431,700 hours, and is designed to provide sufficient hours for all aviators to accomplish individual and collective training tasks outlined in the appropriate aircrew training manual (ATM) for the aviators assigned aircraft. The FHP also provides for mission support requirements for the several States as well as mission requests from NGB, DA and DOD.

Army National Guard equipment readiness is at its highest level ever due to continued modernization, enhanced training, and effective maintenance management programs. The substantial operating funds programmed to support FY91 maintenance requirements provide the vital resources needed to support training OPTEMPO and to continue the sustainment of ARNG equipment at a level of readiness commensurate with limited military technician manning levels.

The ARNG Depot Overhaul Program is one of the key contributors to an improved ARNG materiel readiness posture. This Maintenance Program has provided the resources needed to sustain with very good results, the reliability of all older models of equipment in the ARNG inventory. The FY91 Depot Overhaul Program which is funded $8.4 million below the FY90 funded level, should be adequate to support the ARNG FY91 readiness goals of 90 percent Fully Mission Capable Equipment. However, the FY91 Depot Overhaul Program funding constraints will cause a growing backlog in depot overhaul requirements.

D. READINESS

The Army National Guard resource and training levels have shown improvement overall between October 1988 and October 1989. This increase is attributed to a 5% improvement in equipment on hand and a 4% improvement in equipment condition. Continued use of the Equipment Readiness Analysis (ERA) Program, Dedicated Procurement Program, and intensive management of ARNG units and assets have been key elements in these equipment resource area improvements. Even with funding constraints, the Army National guard has improved ut readiness levels by 22% since October 1985.

Due to shifting demographics, personnel category levels had a slight fluctuation during the past fiscal year, but, by the October 1989 Unit Status Report (USR), there was 1.27% improvement in personnel. To offset any negative demographic trend, the ARNG has taken aggressive action to manage sustainment of the current force structure, which includes considerations for restationing units to States that can better support force structure with personnel. Additionally, increased emphasis has been placed on maximizing unit training and enhancing training levels which are critical to maintaining the Army National Guard's force capability within the Total Army.

Based on these initiatives, the Director, Army National Guard has set specific mobilization readiness objectives for resourcing high priority units, reinforcing the "first to fight, first to be resourced" concept. Managing all units in a C4 or C5 status toward achieving C3 on projected dates and targets for increases in ARNG resource and training category levels in all units are also quantified by stated objectives.

Equipment shortages continue to adversely impact on bringing a substantial number of ARNG units to a fully sustainable wartime posture. In addition, requirements for new facilities and improvements to existing facilities to accommodate expanding maintenance, security and storage of equipment has outpaced construction funding levels. Equipment shortages and facility construction backlog will be a constraining factor in ARNG units achieving the highest possible levels of readiness.

Overall, the ARNG is in a better posture than in any previous period, however, with slowing of force modernization, sustainment and continued improvements in the ARNG readiness posture requires emphasis on acquiring additional resources from Headquarters, Department of the Army and Congress.

E. FACILITIES

The Army National Guard has undergone significant force structure changes during the past 10 years and has been assigned additional wartime missions. Modernization of supporting facilities is a vital part of total readiness. Policies developed to provide adequate and functional facilities and infrastructure must, at a minimum, maintain the existing inventory and invest in a logical and prudent revitalization construction program. Through such revitalization efforts, the statement is also being made to the State and local community as well as to our Guardsmen and women that the Army recognizes a commitment to the "Citizen-Soldier" by investing in modern facilities where they work and train. In return, such investments have high paybacks in improved morale, productivity, recruiting and retention, as well as improved warfighting readiness.

The backlog of construction needs continues to grow in spite of Congressional assistance to acquire additional facilities beyond those requested in the annual Military Construction programs. Annual funding support of operations and facilities upkeep has declined to the point that existing facilities are fast becoming unserviceable and may require premature replacement. Critical requirements have been identified for 487 armories, 218 maintenance shops, 73 expanded or replaced aviation facilities, 387 ranges and training site improvements and 39 other logistical support facilities.

The fiscal year 1990 Military Construction Budget request of $114 million concentrated on modernized or new training ranges and regional centers, logistical and maintenance facilities for new weapon systems and armories for more intensive home station training to support our expanded missions. These facilities are becoming more complex and more costly to construct and maintain than in the past. The facilities required for aviation training, larger unit maneuver and weapons firing ranges must be compatible with the surrounding environment and available for year around use. Expansion of the local training area concept is a necessity to maximize training opportunities while reducing materiel operating costs. With the Congressionally added projects, the enacted Military Construction program provides $223.49 million included 59 armory projects totalling $86 million, 20 projects for training site cantonment facilities and education centers totalling $31.7 million, 13 weapons ranges totalling $13.8 million, 10 aviation facilities projects totalling $11.1 million, 24 maintenance shops totalling $33.4 million, 7 logistical support buildings costing $7.2 million, 4 projects for miscellaneous facilities and land acquisitions totalling $28.7 million. The remaining $19.1 million were approved for minor construction and planning and design efforts. As part of the authorizations package funding was reduced for the multi-purpose range at Camp Grayling, MI from $14 million to $7 million with language directing the remaining funds required be secured later.

F. INFORMATION MANAGEMENT

The ARNG Information Management Plan (IMP) provides a comprehensive list of 142 major initiatives needed to fully automate the ARNG. In FY90, the ARNG received funding to continue developing applications as identified in the IMP and, in addition planning for and executing the Burroughs to Sperry migration. In FY91, $6.0 million is budgeted to support such IMP initiatives as the migration from the Burroughs to Sperry system, and applications on that system will be started during FY 90.

The ARNG has focused on the transfer of secure information through the upgrade of AUTODIN terminals, the placement of over 800 Secure Telephone Units (STU-III) telephones, and the implementation of an encrypted electronic mail/data transfer system. This focus provides the ARNG the capability to pass critical sensitive information in a timely manner.

G. SAFETY

In FY 89 the ARNG Safety and Occupational Health Program made significant strides in accident prevention. Overall Class A through C ground accidents were down by 30 percent, fatalities were down by 16 percent, Privately Owned Vehicle (POV) accidents were 7 percent less when compared to FY 88 totals. The aviation Class A accident rate was 2.20 per 100,000 flying hours with the Class A-C rate being 7.56, as contrasted to 2.09 and 8.03 Armywide respectively. Significant accident reductions in ground and POV accidents were the direct result of specially targeted campaigns aimed at key task errors. The ARNG implemented the Hazard Communication Program in accordance with Public Law and DoD policy thereby successfully fulfilling the employee "right to know" mandate. Future accident reduction initiatives will further improve combat readiness by avoiding the cost of needless accidents.

V. CONCLUSION

The future holds many challenges and opportunities. In the face of constrained budgets and the reevaluation of national military strategy based on current international political events, the Army National Guard must be willing to change and adapt. We must continue consolidate our gains to maintain the high levels of readiness that have been achieved over the last decade. As changes in national strategy are developed, the ARNG will become increasingly more important in our nation's defense. A combat-ready ARNG throughout the 1990s is an essential element of this strategy and is a cost effective element during this time of constrained resources.

Current budget constraints impede the ARNG from achieving higher readiness levels, and continued cuts will impact on our ability to maintain our current high level of readiness. To continue support of the individual soldier and ARNG units, I want to focus any increases in resources to sustain or increase readiness. To accomplish this, I have established the following priorities: increased full-time manning; increased Operating Tempos; increased participation in training exercises sponsored by both the JCS and Active Army; and increased modernization of our ARNG equipment inventory.

The ARNG is a combat-ready force due to the dedication of all of our soldiers and leaders. The individual soldier has been willing to train extra hours and, when required, to deploy to distant training areas to gain as much expertise as possible on the latest tactics and equipment. The leadership of the ARNG is committed to finding new and innovative ways to train, motivate and provide the best combat ready force in the most cost effective manner.

The Army has been fully supportive of the ARNG as an equal partner and has provided the latest equipment and unparalleled training opportunities. The Congress has been willing to direct the necessary funding to crucial programs which make the ARNG a vital part of the Total Army. The partnership between the ARNG, the Army, and the Congress has worked well to fashion an ARNG fully capable of serving as an "Army on Call" - for this nation's defense. We - The Army National Guard - seek your continued support.

AIR NATIONAL GUARD

STATEMENT OF MAJ. GEN. PHILIP G. KILLEY, U.S. AIR FORCE, DIRECTOR, AIR NATIONAL GUARD

STATEMENT IN BRIEF

Senator INOUYE. General Killey.

General KILLEY. Mr. Chairman and Senator Stevens, I would like to thank you for the opportunity to appear before you. I am here today representing the more than 117,000 men and women who proudly serve their communities, their States, and their Nation in the Air National Guard. In my prepared remarks I spoke about the readiness of the Air National Guard and our many significant accomplishments of the past year that clearly demonstrate our readiness and our combat capability.

I would simply say, I firmly believe our outstanding record shows that the Air National Guard continues to be the most ready and capable of all the Reserve components.

This past year presented us with many challenges and opportunities: Hurricane Hugo, the California earthquake, the DC-10 crash in Sioux City, IA, the Alaska oilspill and, of course, Operation Just Cause. Each of these challenges was met by an immediate all-volunteer response by the Air National Guard men and women across our Nation.

It has been suggested by some that the Guard and Reserve cannot be counted on short of mobilization of our forces. Mr. Chairman, I will tell you the Air Guard can be counted on whenever needed and wherever needed, whether flying close air support for our U.S. ground forces engaged in combat or responding to the crash of a commercial airliner or monitoring tactical control radars in searching for drug smugglers. The Air National Guard was there, is there, and will always be there. We are trained, equipped, and ready to respond to the call of our State and Nation.

The Air Guard budget that is before this committee provides the funding to continue the programs that have provided that combat capability. I solicit your continued support of the Air National Guard, not only as a combat-effective element of our national security strategy, but also as a cost-effective way of maintaining a strong national defense. Dollar for dollar, there is no better way to meet the changing defense needs of our Nation than investing in the Air National Guard. With the right mission and the right funding, the Air National Guard can play an even greater role in the defense of our Nation. I am confident that the DOD total force study will reaffirm that a strong Air National Guard is essential to a strong America.

As we begin the decade of the nineties, the No. 1 priority is to support our Nation's efforts in the war against drugs. Our air defense interceptors, reconnaissance aircraft, tactical control radar units, and other support elements are actively engaged with the Army National Guard in State and Federal missions assisting Federal law enforcement agencies in stopping the flow of drugs into the United States. We are also studying ways to assist in reducing the demand for drugs. Your support of increased funding has allowed us to begin to make a real impact on America's most serious problem.

The challenges of a changing world and the Federal deficit has placed an even greater responsibility on the Air National Guard and we recognize the reality of the tough decisions ahead of us and we will prudently manage our resources. Again, I appreciate the opportunity to appear before you and am looking forward to your questions. Thank you.

[The statement follows:]

STATEMENT OF MAJ. GEN. PHILIP G. KILLEY

Air National Guard

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, thank you for giving me this opportunity to share our past year's accomplishments and my views on a few of the issues facing the Air National Guard.

The Air National Guard's long and distinguished record of superior service to the Nation is well-known. Capable and reliable in combat and catastrophe, caring and responsible in peace and prosperity, the people of the Air National Guard are superbly trained and motivated mainstream Americans at their best. The Air National Guard is a winning combination of cost-effective combat capability and dedicated men and women from your hometowns and mine.

The Air National Guard entered the decade of the eighties in need of modernization. With the commitment and support of the American people and Congress the Air Guard steadily grew -- both in its size and capability to perform increased missions in national defense. And today, thanks to the vision of our national leadership -- backed by sound investments in modernizing, training, and educating our force -- the Air National Guard enters this new decade as a modern, capable and professional force.

Rapidly evolving world events and their far-reaching implications will present new and even more demands for the Air National Guard. Last year, we could only intellectually debate the possibility of the events of recent weeks and months and their impact on U.S. and global military preparedness. The Air National Guard is ready to meet the pressing challenges -- and the opportunities -- in a more dynamic world.

One challenge is that of resources. On one hand we are being asked to accept new roles and expanded missions. Yet at the same time we are being asked to absorb a share of the budget cuts. We cannot do both. We need more to do more. Larger than any major operating command, the Air National Guard has requested $3.3 billion for FY 91, only 3.4 percent of the total Air Force budget. The reason our budget can be this size is because it contains only those dollars necessary to train our people and perform our day-to-day mission. While the Air Force relies heavily on the Air National Guard to perform essential wartime tasks, we rely heavily on the Air Force to provide us with equipment, training, and management support to perform the mission. The following chart shows our current budget estimates for Fiscal Years 1990 and 1991.

Air National Guard Funding Posture
(Dollars in Millions)

	FY 1989	FY 1990	FY 1991
Operation & Maintenance, ANG	$2,022.0	$2,021.0	$2,175.4
National Guard Personnel, AF	1,033.0	1,058.0	1,089.0
Military Construction, ANG	158.5	199.0	66.5
Total	$3,213.5	$3,278.5	$3,330.9
Guard and Reserve Equipment	$399.5	$213.6	$130.3

The Air National Guard: Americans at Their Best

In peace and in war the Air National Guard is truly Americans at their best. Whether by chance or by direction, members of the Air National Guard were there when needed using their skills to serve the needs of their community and nation.

March 1989: Alaska Oil Spill. The Air National Guard assisted in the massive clean-up efforts that took place in Prince William Sound, Alaska. Among those missions performed by Guard members during the crisis were communications, air operations for both military and civil air traffic at Valdez Airport, aircraft, refueling, and aviation support. Also, the Air Guard committed much needed equipment to accelerate the clean-up effort and help minimize environmental damage.

July 1989: United Airlines Flight 232. Within minutes of the fiery crash landing of the United Airlines DC-10, men and women of the Iowa Air National Guard were on the scene to provide fire and rescue teams, medical personnel and volunteers ready to assist in rescue operations.

September 1989: Hurricane Hugo. Assistance to victims assailed by this devastating tropical storm included 16 Air National Guard flying units from 14 states. Air Guard cargo aircraft airlifted over 1,300 tons of food, fuel, water, shelters, medical supplies, and military equipment to hurricane victims in Puerto Rico and the U.S. Virgin Islands.

October 1989: Gunsmoke 1989. The first place victory of Air National Guard F-16s in the Air Force's worldwide fighter gunnery competition is a clear testimony to our capability. The men and women of the 169th Tactical Fighter Group at Columbia, South Carolina, flying the earlier model F-16A/B, demonstrated to the world that Air National Guard units are well trained and dedicated to fighting and winning.

October 1989: San Francisco Earthquake. Within the first hour of the quake, every unit in the California National Guard was alerted for possible activation. Those units activated assisted civil authorities in helping to preserve life, safeguarding health and property, and in sustaining essential public services. Air Guard medical, engineer, security police and flying units were called to provide support to victims and communities hit hardest by the earthquake. Other emergency services included water supplies, showers, tents and food for homeless victims as well as operating food banks and distribution centers for donated supplies.

December 1989: Operation Just Cause. Air Guardsmen from the 180th Tactical Fighter Group, Toledo, Ohio, and from the 114th Tactical Fighter Group, Sioux Falls, South Dakota, provided air support for ground forces with 140 A-7 close air support sorties as part of the Coronet Cove rotation to Panama. Seven C-130s from four Air National Guard units flew 97 sorties airlifting 416 tons of cargo and 2,395 people, including medical evacuation flights of injured soldiers, sailors, and airmen to medical facilities in Texas. The 172nd Military Airlift Group (MAG) from Jackson, Mississippi, flew 87 C-141 sorties carrying 931 people and 320 tons of cargo to Howard AFB, Panama. The 105th MAG from Stewart ANGB, New York flew 49 C-5 sorties, airlifting 637 people and more than 1,000 tons of cargo.

All volunteer, all citizen airmen, day-in and-day-out, our men and women have shown a great sense of national pride, patriotism, and community responsibility. The Air National Guard has again proven itself a world-class military organization.

Training

Aircrews train at formal schools, during exercises and deployments, and at home station. This provides a flexible response to our demanding FY 90 and FY 91 conversion training requirements.

Active participation in overseas deployments, scheduled rotations, special assignment and augmentation airlift missions, joint services, Composite Force, theater, flag exercises, and day-to-day active Air Force requirements provide realistic training across the complete spectrum of Air Guard missions that sustain our warfighting capabilities. In Fiscal 1989, for example, 252 Air Guard units participated in deployments to more than 35 countries. In FY 90, 220 deployments have been forecasted, and in FY 91 we will continue a strong deployment program.

Joint training and support for the U.S. Army are high priorities. We expect our recently established operating location at McChord AFB, Washington to enable us to expand our training opportunities with the Army at Fort Lewis.

Tactical Communications

Fifty-four Air National Guard units represent almost two-thirds of total Air Force combat communications capability. This capability ranges from high frequency, single channel and multi-channeled satellite communications to a full range of telephone, record communications, and air traffic control and landing services.

Air Force and JCS-sponsored exercises both stateside and overseas gave our 7,000 combat communicators "hands-on" experience in simulated crisis and wartime contingencies. Ten out of twelve units inspected during Operational Readiness Inspections (ORI) received Outstanding or Excellent ratings.

The Total Force policy has been instrumental in solidifying the relationship between active duty and Air National Guard combat communications communities. Equipment modernization within Air National Guard combat communications units has been the key to improved Total Force combat communications capabilities and readiness. New equipment, along with new technologies, provides learning challenges that our units have eagerly accepted. It is imperative that our communications requirements be funded to meet global taskings.

More than half of the Air Force's Engineering Installation (EI) capability is found in the Air Guard's 19 EI squadrons. These highly mobile, independent teams support the full range of worldwide installations and upgrades. They participate in major European exercises to test their wartime capability to provide mission-essential repairs, relocations and installations.

The NATO Airbase Satellite mission is new to the Air National Guard communications community. Three newly organized squadrons provide the United States and its NATO partners a survivable, jam-resistant, secure command and control satellite communications system.

Medical

The medical service of the Air National Guard consisting of 101 separate units (91 medical and 10 aeromedical evacuation), has made significant advances in readiness. The Air National Guard has been tasked with more than one-half of the U.S. Air Force's capability to respond to second echelon field medical requirements. It will directly involve nearly 4,800 Air National Guard medical personnel. Worldwide deployments and exercises, and routine mission taskings provide our people valuable training opportunities that keep them proficient.

The Air National Guard medical service has been fortunate in the ability to secure additional health care providers while maintaining a better than 80 percent assigned strength.

Civil Engineering

Air National Guard engineering and services units composed of more than 16,000 competent, dedicated airmen reached their highest ever readiness level in 1989. They participated in over 172 training deployments within the United States and abroad. These included first-time deployments to Denmark, Norway, and Israel. They aided in hurricane relief efforts in the Caribbean and the Carolinas, humanitarian and civic action projects in Central America, drug interdiction support, oil spill cleanup in Alaska, and in earthquake relief in the San Francisco area. Each of these efforts allowed our people to hone valuable combat essential skills.

Once again in FY 89, we exceeded the first year funding execution goal of 95% for military construction. Our military construction execution rate was one of the highest in the Department of Defense. Our FY 91 military construction program includes new mission projects and addresses our most critical current mission needs; however, it will not meet all our requirements. The reduction in the FY 91 military construction program will limit our capability to satisfy our most critical energy and environmental needs and provide necessary upgrades to an aging $10.3 billion physical plant. The Air National Guard's dynamic environmental program will be adversely affected by reductions in the military construction program. In addition, our backlog of military construction and maintenance and repair projects will continue to grow.

Logistics

Manpower shortages, funding limitations, and significant training demands associated with weapon system conversions or modernizations are stressing our logistics community's ability to maintain a high state of readiness. Nonetheless, the Air National Guard continues to upgrade its capability to rapidly deploy and sustain its forces in a combat environment.

Our modernization program, which includes both newer airframes and avionics system upgrades, has produced significant enhancements in RF-4C, F-4E, F-16A/B, and KC-135E aircraft. Navigation weapons delivery systems in our RF-4 inventory greatly enhance wartime capability. The F-16A/B air defense fighter modification provides improved radar, communications, and AIM-7 missile capability. The KC-135E state-of-the-art autopilot system has improved safety during aerial refueling and reduced maintenance requirements.

Spare parts shortages remain a paramount concern to us, particularly as older equipment requires more and more attention and as newer model aircraft are introduced into the Air Guard inventory.

Modernization Program

Earlier I referred to the Air National Guard as "Americans at Their Best," top-notch members of a modern militia. Their efforts and yours have helped us earn community support and the reputation we enjoy nationally and around the world. We place the greatest emphasis on ensuring that our people are well-trained and weapon systems are mission-capable. We have developed tailored training systems for our F-15 and F-16 units. We continue to modernize with state-of-the-art tactical airlift and air-rescue aircraft, and increase our tanker capability with additional KC-135E aircraft.

It is essential that we continue to increase our warfighting capability at an affordable price with programs such as the F-15A/B Multi-Staged Improvement Program, F-16 enhanced survivability modifications and the enhanced F100-220E engine for the F-15/F-16.

Through Congressionally provided equipment funds, the Air National Guard continues to modernize its flying forces with state-of-the-art tactical airlift aircraft (8 C-130Hs in 1988; 14 C-130Hs in 1989), air-rescue aircraft (16 MH-60Gs and 2 HC-130Ns in 1988), and mission support systems. These new aircraft, combined with Active and Air Force Reserve assets, provide a greater, more rapid response capability than ever before. As I stated earlier, this was aptly demonstrated during Operation Just Cause in Panama as Air National Guard airlift forces played an important role in that operation.

Drug Interdiction and Law Enforcement Support

Individually and collectively the ANG and its members are committed to a drug-free America and are making significant contributions to help rid our nation of illegal drugs. We are relying on the capabilities of our air defense units to intercept and identify unknown aircraft entering U.S. airspace. Together with the Army National Guard, the Air Guard has performed a wide variety of missions including security police support of federal law enforcement officials in the search of commercial cargo for illicit drugs, photo reconnaissance, radar operations to identify/monitor aircraft and training in other highly specialized areas.

Together with Air Force and other DOD components, the Air National Guard continues to support the war against drugs with one deployed radar site and will support three sites when needed. Congress has given the Air National Guard an additional 25 manpower positions to provide better support and communications in our efforts. The continued support of the Congress along with our increased emphasis at all levels of command will help our nation win this war.

Personnel

The following chart depicts the changes in Air National Guard personnel between FY 90 and FY 91:

Air National Guard Personnel Summary

	FY 1990	FY 1991	Program Change
Military End Strength	116,200	116,300	+100
(Drill)	(107,683)	(107,832)	(+149)
(AGR)	(8,517)	(8,468)	(-49)
Civilian End Strength			
Technicians	24,310	23,949	-361
Title V	1,991	2,021	+30

Our members average more than 12 years of experience and are better educated than ever before. The quality of our mix of experience and education is reflected in the results of readiness and effectiveness inspections conducted by the active Air Force when over 52% of our units earned either Outstanding or Excellent ratings. Of special note, Master Sergeant Stephen C. Woodard, a member of the Idaho Air National Guard at Gowen Field, Boise, Idaho, was chosen as one of the Air Force's Twelve Outstanding Airmen of the Year. This prestigious honor came as a result of Sergeant Woodard's work in updating and improving the survivability of the RF-4C Phantom II.

The high education level of our members is increasingly due to the opportunities made available through the Montgomery G.I. Bill. The continued funding of this important legislation has been a tremendous boost to the quality of our work force and the increased capabilities that result.

With the added requirements and missions assigned to the Air National Guard we require our force to grow. In FY 89 we exceeded our recruiting goal for the year when we experienced a net gain of 840 members. Our authorized end strength for FY 90 is 116,200, and we should experience no difficulty in reaching that number early in the fiscal year. Despite our success in achieving total membership, we continue to have problems in manning a few traditionally hard to fill or critical skill vacancies. Continued authorization of our bonus and incentive programs is needed to attract members into critical skill positions.

The high degree of readiness evident in the Air National Guard is due in large measure to the capabilities of our full-time work force. Complementing the skill of our traditional guardsmen they sustain the day-to-day operation of all our units, and the planning of effective training for our traditional guardsmen. In FY 90 this force consists of 24,310 military technicians and 8,517 Active Duty Guard/Reserves (AGRs). The requested levels for FY 91 reflect a small decrease in both programs due to force structure changes. Should future additional missions or responsibilities be assigned to the Air National Guard, then necessary manpower resources must also be included. In my last statement, I identified to you a serious problem in the area of controlled grade authorizations for our AGR program. You responded by studying our concern and included in the FY 90 Authorization Act the increased quotas we needed to initially maintain the AGR program as a viable career program. We thank you for your prompt action. As this relatively new program continues to mature, it will be necessary to continually review these allocations to insure that the minimum grades needed to sustain this essential full-time program are available. We are equally concerned that our military technician program remains a viable program providing good career opportunities for our best people. To do this, our men and women must be adequately and fairly compensated for the work performed. Our military technicians have always been and must continue to be the backbone of our full-time force.

Our retention statistics continue to be the envy of other reserve components. We have established an ambitious goal of retaining 90% of our members who have fewer than 20 years of satisfactory service. In FY 89 we retained 89.7%, a truly remarkable achievement. This high rate of retention is cost-effective as the expense of training replacements is drastically reduced. The Montgomery G.I. Bill has also contributed to our retention capability -- providing additional force stability. Congressional support of pay and allowance enhancements and continued funding of exercises and deployments are also integral factors in motivating and retaining our members.

Our successes in the Air National Guard are built on a foundation of highly trained, capable personnel. We are tremendously proud of the men and women who belong to our organization and solicit your continued support in maintaining those programs we need to recruit, train, and to retain quality personnel.

Summary

In summary, let me say that in our zeal to reduce costs we risk the loss of unique and hard-won capabilities that should be kept viable. We are indebted to those citizen-soldiers who have gone before us and we must vigilantly guard against compromise, foolhardiness, or weakness of resolve in the face of new and uncertain challenges.

MONTGOMERY AMENDMENT

Senator **Inouye**. General Killey, if my recollection is correct, last year when you testified you had one star on that chair.

General **Killey**. Yes, sir.

Senator **Inouye**. Congratulations to you, sir.

General **Killey**. Thank you very much, sir.

Senator **Inouye**. Mr. Secretary, in a hearing such as this I think I would be remiss if I did not bring up the matter of Governor Perpich and his State of Minnesota versus DOD. Can you summarize the issues for this subcommittee and tell us what the effect would be if the Supreme Court should rule in favor of Governor Perpich.

Mr. **Duncan**. Yes, sir; I will address it from the policy viewpoint. The issue before the Court is the constitutionality of what is commonly known as the Montgomery amendment which, of course, is a limited piece of legislation which simply restricts the ability of individual State governors to object to the training of the National Guard if the basis of the objection is the scheduling, the type of training, the location of the training, and so forth. It still permits an individual governor to say that he or she needs the Guard during a particular period of time for civil disobedience, forest fires, earthquakes, or other State purposes.

The issue was argued before the U.S. Supreme Court recently. I would not presume to predict with certainty how the Supreme Court will act. I am familiar with the legal arguments that support the position of the Government. But, I will tell you that if the court should rule that the Department of Defense cannot train the National Guard forces in places where they might be called upon to fight, and to conduct the kind of training that would be required to make them ready to fight, then our total force will be a much different total force than exists today.

We are placing a great deal of reliance on the National Guard, as you know. Some of our very best combat units in the Armed Forces are in the National Guard. So, we are anticipating an early decision from the Court so that we can put to rest any lingering uncertainty about the issue.

General **Conaway**. Mr. Chairman, I totally agree with what the Secretary said. Obviously we are very eagerly awaiting the decision—at least I as the new Chief am— because we want to stay right on course with the total force that is taking place and with the confidence that is placed in the National Guard by the people, by Congress, and by the administration.

Although Congress did take just a small degree of authority away from the governors, it was so limited that Congress turns around and gives authority to governors on the governors' drug plans giving them more authority in a decentralized mode to run counternarcotics operations with money funded for the States. So it kind of works both ways. But we are hopeful that it will work out.

I would like to take these four or five governors that have presented us a little disagreement, down to see all of the nation building exercises that the National Guard does in Central and South America. We just came back from Jamaica where Army and Air National Guard engineers at different locations are rebuilding eight schools that Hurricane Gilbert wiped out 1½ years ago.

There is a lot going on and, as Secretary Duncan said, we do need to be able to deploy and train wherever needed.

Senator INOUYE. A ruling against you would affect your total force concept. If it does happen, how will you overcome it?

Mr. DUNCAN. Well, I guess I'm optimistic that it will not happen. We are prepared to take prompt action in the way of legislative recommendations if that should be the case. But I'm very hopeful that we will receive a favorable ruling. If we do not, we'll work closely with the Congress to try to correct it.

I want to hasten to assure the committee that the Department of Defense has done everything that's possible to make sure that we have asserted the strongest possible case before the Court. I have followed it on a close basis, and I am convinced that everyone in the Department has done everything we can to support the Government's position on that issue.

General CONAWAY. I'll echo that, sir. Secretary Duncan, also being a lawyer, has been involved in this from the beginning. We are hopeful that it will work out.

Senator STEVENS. Would the Chairman yield on that?

Senator INOUYE. Yes, please.

Senator STEVENS. I'd like you to know that if the Court does rule against the Government's position, then, in my judgment, the thing we should do is to assure that the Guard units from the States where the governors do not object get the funding. We should have a system of pledging the Guard; the governor, when he comes into office, should indicate that the Guard in his State will respond to the commands of the Commander-in-Chief. And if he signs that, then funding will continue. If he does not, then Federal funding for that Guard will cease.

It ought to be very clear to everyone that the governor would be responsible for that lack of funding.

Thank you, Mr. Chairman.

[Pause.]

Senator INOUYE. There is quiet in this room. [Laughter.]

DECENTRALIZATION

General Conaway, I have been advised that the Soviet news agency, Tass, recently interviewed you and apparently the Soviet Union is interested in the Guard-type structure.

What is the latest in the Soviet Union?

General CONAWAY. Sir, I don't know exactly what is going on in the Soviet Union; but news agency Tass did come by and interview me a couple of weeks ago. I don't think they were as interested in me as the new Chief of the National Guard Bureau as in the National Guard system, the institution of the National Guard as the oldest military in the United States.

We are celebrating our 354th birthday this year, and I think they were interested in how in the world does the National Guard operate on a decentralized basis with 54 National Guard entities, the 50 States, District of Columbia, Virgin Islands, Puerto Rico, and Guam.

I think centralization versus decentralization was of great interest to them and how we select adjutants general. Like the governors of each of the provinces, as they call them, we select an adjutant general, a military person, who oversees the Guard with the State headquarters. They stay there in the States and they are responsible for training these combat-ready units and making sure that they meet standards. These combat-ready units can serve in State missions or be mobilized to serve the President or to serve in Federal missions with the Army and the Air Force.

I think that part was very intriguing to them, and I don't know at all what their plans are, except that it is the most interest that I have ever seen shown by them in our National Guard decentralized system.

REDUCTIONS

Senator INOUYE. General Conaway, in these intriguing times, there are those who argue that the Guard force structure should take reductions proportionate to the Active components. Some others argue that reductions should be made only in the Active component and that the Guard should be protected.

What are your views?

General CONAWAY. That's the $64,000 question. That's part of what Secretary Duncan's total force study, which you have directed, has to come up with. It is working right now in two slightly different ways in the two services that I am responsible for—the Army National Guard and the Air National Guard. The directors may want to comment briefly.

There are very few cuts proposed at this time in the Air National Guard, and there are some potential structure cuts proposed on the Army side in the budget. But that has not been totally released. That has to go to the Office of the Secretary of Defense where they have to scrub it before it comes to you for next year's budget.

The real dilemma that we are in right now is the National Guard is basically overstrength. We are in an anomaly, where we are almost 457,000 in the Army Guard—as General Burdick mentioned, at 102 percent of his strength right now; and the Air National Guard is overstrength by about 300 or 400. Recruiting is superb. Our recruiters are doing a good job. Retention is excellent.

But two other things are happening before we actually start drawing down, building down the force a little bit. Active recruiting quotas are down and the youngsters are all coming over to our National Guard recruiters, at least a lot of them are. That is one item.

The other is this. As the youngsters are reading the various newspaper accounts of what is coming out of Washington, they are calling back home, whether it is to Hawaii, Arkansas, New York, or Alaska. Wherever it is, they are calling back home to ask, Is there this MOS billet back in this armory, or is there this AFSC billet at this air base, and securing those so they can to go back home and serve.

So there is great pressure on us for these kids to serve back home.

There are some similarities between what is happening today and the next few years and what happened between 1972 and 1976.

Although we had a draft motivated force then that we were building down, today we have an all-volunteer force that we are building down. The Guard stayed full until 1976 with the builddown of the draft-motivated force. As we built down the Active Army and Air Force, we didn't really know how to recruit an all-volunteer force in 1973. But we didn't have to know. We stayed full from the kids coming off active duty until 1976, when they leveled active duty. Then we had a brick wall and had to learn how to recruit, and you had to help us with some things, like getting more parity in pay and more incentives.

The 1980's have been very good and we have been able to compete better. But I don't know what's going to happen in strength. We obviously want to be a part of that total situation. We have seen a lot of different studies from Members over here, as well as in the Pentagon and in think tanks. But whatever size you want us, the National Guard is ready to serve and we want to stay fully combat ready.

I don't know whether there is another comment from the panel on this or not.

READINESS

Senator INOUYE. General Burdick.

General BURDICK. Sir, as I mentioned earlier, the combat readiness of our Army National Guard is the highest it has ever been. Eighty-four percent of our units are combat ready today. Actually, our readiness parallels that of the Active component.

FORCE STRUCTURE

You mentioned the force reductions.

I think the driving issues behind this were the changing situation in Eastern Europe and Warsaw Bloc countries and also our budget considerations.

As I mentioned, we were directed to take a 10,000-man cut this fiscal year.

Now, in the outyears, over the POM, we are to lose an additional 66,000 personnel. That would involve some structure in the Army National Guard.

With the Army National Guard, as well as with the U.S. Army Reserve, the Army's philosophy was that if we take certain structure out of Europe, we should take certain of the structure out of the Reserve components. That would be in the combat support/combat service support tail of, say, a corps, if that is reduced.

We have been asked to work that issue. We were directed to do this.

Now, again, I must say that all of this, at the present time, is a proposal, except for the 10,000-personnel cut this year on the part of the Army National Guard. We are awaiting the outcome of the Total Force Policy Study Group to see just where we stand on that.

No one likes to lose structure. I am sure that General Vuono does not like to lose structure. But as I said, this has been driven by events, the recent events in Europe, as well as budgetary considerations.

Senator INOUYE. General Killey.

AIR NATIONAL GUARD

General **Killey**. Sir, the total force policy as it relates to the Air Force is a complete success story. When you look at the facts, we are in almost every mission of the U.S. Air Force. We are very capable in each mission. Every one of those missions we have proven with every evaluation record, readiness—our inspection records, our deployments and exercises—I think everyone recognizes the outstanding capability of the Air National Guard.

Then when you look at the issue of affordability, we are in the right missions. We are very cost effective. We can do those missions at a significant cost savings to our taxpayers in this country.

So, when you look at capability, affordability, and accessibility of the Air National Guard—and those are the key players as we go into this total force policy study and the outcome of that—all those factors show that we need to rely probably a little more on the Air National Guard.

Operation Just Cause, which General Scheer mentioned to you in his opening remarks, was a total example of how the Air Reserve component can be used very effectively in an informal contingency, those conflicts that we don't have formal war plans. The volunteer system works very well in the Air National Guard, where you don't have to call up an entire unit. You only need *x* number of airplanes. We can do that very effectively.

So, as you look at other types of contingencies, which might require some or full mobilizations, any way you look at it, I think the Air National Guard is going to play an even more important role in our total force.

Senator **Inouye**. Thank you very much.

Senator Stevens.

Senator **Stevens**. Thank you very much.

Mr. Chairman, I don't think I've seen the Guard in better shape than it is right now.

Secretary Duncan, that ought to be really a beacon to you who are preparing this report, because I think Congress has made its statement time and time again that we want the numbers in the Guard and Reserve to be high, compared to the total Active force. I hope that we don't see a parity concept come out in this report because it's going to lead to a collision as far as people on this committee and, I think, in the House committee who have followed, really, what I think are the lessons we learned from John Stennis.

I really credit John Stennis with educating all of us in terms of the total dollar value of Guard and Reserve forces in terms of preparation.

Let me ask you, General Conaway, this question. First, we congratulate you, too, on your new position and your new star.

General **Conaway**. Thank you, sir.

ALASKA GUARD

Senator **Stevens**. You've got three now. That's a good change for you.

We have seen some really dramatic changes in the Alaska Guard. I wonder if you are prepared to tell the committee now the status of these two new missions that the Guard, particularly the Air Guard, have taken on in Alaska.

General CONAWAY. Sir, I am very proud of the Alaska National Guard. Army National Guard scouts obviously do a superb job. The adjutant general, Gen. John Shaeffer, whom I mentioned earlier, and just left—we were at an Adjutants General Association meeting in Colorado, which I will be going back to in the morning for their final day. They are doing a superb job in discussing the issues. General Shaeffer is doing a superb job with the Alaska National Guard. The new air rescue unit, that will replace the Air Force rescue unit, is coming up to speed and starting to receive their equipment. The tanker unit, the KC–135E unit at Fairbanks——

Senator BUMPERS. Which, incidentally, came from Arkansas. [Laughter.]

He is so proud of the Alaskan Guard, but he took all our KC–135's from us. [Laughter.]

General CONAWAY. I don't know about the audit trail on that. That may be at least partly true, sir.

Senator BUMPERS. Now don't do that anymore, please. [Laughter.]

Senator STEVENS. General Conaway, if he wants to trade us that National Guard C–130 training school that we put there in place of that one little unit——

Senator BUMPERS. Oh, we already had the training school and the KC–135's. [Laughter.]

General CONAWAY. We've got the Guard in the training school now, as Senator Bumpers knows. He has been very supportive and they are doing a superb job. We expect them to take on an increasing role with what is going to take place and they are postured to do that. The tanker unit is doing a superb job up in Alaska where they are pulling strip alert and can respond to all of the special aircraft that the Air Force has, being up on the leading edge of some of our Nation's defense.

So they are our leading edge tanker unit, so to speak.

General Killey had some details on both of those and how well they are doing.

Senator STEVENS. Yes; General Killey.

By the way, you haven't been to our State yet, have you?

General KILLEY. Many times, but not in the capacity as Director.

Senator STEVENS. Well, I hope that we will remedy that this year.

General KILLEY. I'm looking forward to it, sir.

Let me just comment on the 210th, the air rescue unit in Alaska.

They are coming up to speed very rapidly, as General Conaway mentioned. We are looking to get the MH–60 helicopter, which is going to be able to do that wartime mission and the peacetime mission servicing the State much better than the older HH–3. It is a faster helicopter. It has a longer range and will be able to go to higher altitudes.

Responding to rescue units deep out at sea or in the mountains of Alaska, the mission will be able to be accomplished much more effectively. When you couple that with the HC–130N, our new refueling 130's, that will give them that needed long-range capability that we need to have in Alaska.

As far as the specific flow of the aircraft, the first MH-60 will get there in June of this year, and we expect to have all four of those by August of this year. We'll get the first HC-130 in October and have the second one by November. We will have a full-up unit there by the end of this year.

The third aircraft that has been appropriated and we are getting ready to contract that one out. It hasn't been contracted yet, but will be this year. We expect to pull alert, or to start pulling alert, from the Active component. They will stay overlapped by spring of 1991.

Senator STEVENS. And when that is done, the Air Force then will stand down its search and rescue unit, is that right?

General KILLEY. Yes, sir; we'll pick up that full capability in Alaska.

As far as the total strength for the squadron, there are 57 full-time, another 189 traditional part-time people, and 109 civilian military technicians.

Senator STEVENS. That amounts to a saving, still, though, doesn't it, in terms of your Guard unit replacing the Air Force search and rescue unit?

General KILLEY. Yes; a significant saving over what it is costing the Active component to pull that same mission up there.

As far as the 168th refueling unit at Eielson, as you well know, we are going from four to eight primary assigned aircraft. Those aircraft right now are in modification line at Boeing Aircraft. We expect the delivery on those aircraft in the June-July timeframe of this year.

So, equipmentwise, it is on track or possibly ahead of schedule. Now as you look at the people, concerning recruiting right now, we were at about 70 percent of what that eight primary assigned manning document would be, which is ahead of goal. We have added a third recruiting element up there. So we think that we have absolutely no problem.

As you well know, Alaska is our No. 1 State in the National Guard, as for number of people in the Guard per capita, per State. There are tremendous Guard people in Alaska.

FACILITIES—ALASKA

As we look at the facilities, we are having some problems. We are looking to add a composite squadron operations building and we are also looking to add a vehicle maintenance facility. We need to be able to work closely with the Alaskan Air Command in being able to utilize one of their hangars for a fuel cell hangar for the Air National Guard.

We are working closely at the Alaskan Air Command to be able to do that, but we haven't got all those issues resolved yet.

As far as the manning in the 168th, we can look at the addition of full-time and traditional people. We are going to add another 69 full-time personnel to that unit and 432 part-time personnel.

Everything is on track, sir.

Senator STEVENS. I am running out of time.

General Burdick, what is the status of your Army counterparts now in Alaska?

ARMY NATIONAL GUARD—ALASKA

General **Burdick**. Senator Stevens, I want to tell you how proud I am of our Alaskan scouts, the Alaska Army National Guard, and your great adjutant general up there.

Last year I did visit Alaska. I visited during Operation Brim Frost. I went out to Nome, St. Lawrence, Kotzebue, Shishmaref, and I saw the scouts in action there.

One thing that is unique about our Alaskan scouts, and also our Hawaiians, sir, and our people in the Virgin Islands, Puerto Rico, and Guam, is that they are forward deployed. They are currently forward deployed. So they are doing a real world mission, right now, today.

The temperature was minus 105 °F when I visited our scouts there. Sir, that did not stop their activity. They were out in the field and were doing the job.

Senator **Stevens**. That is with the wind chill factor, isn't it?

General **Burdick**. Yes; that's with the wind chill factor. But I have to tell you how proud I was of the Alaskan scouts and the job that they do.

Now, you know that we have a new organizational maintenance shop that is being constructed in Anchorage. We also have some armories that are being constructed. I appreciate the tremendous support that you have given to our Alaskan Guard over the last several years.

We have received the tactical snowmobiles. We have 104 of those that are being purchased; also 15 all-terrain scout vehicles. Also we have had 140 2½-ton and 5-ton trucks come in, as well as 10-ton trucks, and also the SUSV's, that you have helped provide to us.

We continue to support the Alaskan scouts because they do such a tremendous job. I think we can all be proud of them.

Senator **Stevens**. I thank you very much.

I think, General Conaway, General Killey, and General Burdick, we ought to invite the committee, particularly the Senator from Arkansas, to come up for the next Brim Frost. We can arrange for him to get one of those great winter sleeping bags and go out there with the troops. We might even arrange to get it down to below 105 degrees if he really wants to come.

Senator **Bumpers**. As soon as I get to be chairman of this committee, those KC–135's are coming back to Arkansas. [Laughter.]

Senator **Stevens**. By that time, General, we'll be ready with the new ones, the 747 tankers, and we'll be happy to give him back the old ones by then.

Senator **Bumpers**. Mr. Chairman, as you can see, I am very forgiving, but I don't forget.

Senator **Inouye**. Well, it's your turn now.

Senator **Stevens**. Mr. Chairman, I do have one last question, if I may.

NATIONAL GUARD ASSOCIATION

General Conaway, I want to know what we are doing. We have specific requests coming in from the National Guard Association. All of us here in the committee, in the Congress, do. And yet, we sort of think that you run the Guard requests.

Can you tell me what is the situation? Why are we getting this split between the association and the Guard Bureau?

General Conaway. I don't know of what split you are talking about. But the National Guard Association, like other associations, work with the State associations. They get their various requests in and try to stay ready on the shortages that they have. Obviously, everything is not 100-percent funded equipmentwise or in terms of all of the people programs. They are responding to the States and their State associations. They work independently of us in the National Guard Bureau.

I will be glad to work with you, obviously, or any members of the committee, to clarify any direction or request they may have, whether they are on course or off course as far as our budget and readiness and what is best for this country and the National Guard.

Senator Stevens. Thank you very much.

I'm sorry to have taken so much time, Mr. Chairman.

Senator Inouye. Now that we have been fully briefed on the readiness and capabilities of the Alaskan force, may I call upon the adjutant general of Arkansas.

Senator Bumpers. Where the flying weather is a lot better, though. [Laughter.]

General Conaway, let me, first of all, congratulate you on your new position and your new star, and Secretary Duncan, gentlemen, good morning.

Anybody who has ever been Governor of a State and does not develop a keen appreciation for, and relationship with, the National Guard just ain't doing his job. I must confess that before I became Governor of my State, I really had not much interest in the Guard and never paid any attention to it. But they were absolutely key to my success as Governor.

I used them time and time again. It seemed like we had disasters, civil disturbances, and everything else on a regular basis.

I continue that interest, almost to a paternalistic standpoint.

General Conaway, you have always, except in one instance, been extremely indulgent in my calls and my interest in the Guard.

OPERATIONAL COSTS

I continue to believe and used to argue with Harold Brown about it—and this is not to demean the regulars—but I still think the Guard and Reserves, on a comparative basis, give us the best bang for the buck that we get.

With that, let me ask you this, General Conaway.

Do you have a rule of thumb, as far as the Army Guard is concerned, as to what the cost is for maintaining a Guardsman, compared to a regular Army person?

General Conaway. Yes; it is approximately one-third.

That is the rule of thumb.

Isn't that what you use, Don?

General **Burdick**. Sir, it's 25 percent to one-third the cost.

If I could just elaborate on that, sir, we don't look particularly at an individual guardsman, but a unit. We feel that we could put a unit on the ground, operational costs, for about 25 percent to one-third the cost of an Active component unit.

Senator **Bumpers**. General Killey, how about the Air Guard?

General **Killey**. The Air Guard, when we are in the right mission, and we are basically in the right mission throughout the Air National Guard, where the activity level in peacetime is lower than what it would be on the active side of the House, we are at about 55 percent, we say, of cost savings over the Active Air Force.

FLYING LEVELS

Senator **Bumpers**. Doesn't the Air Guard compete, on a fairly regular occasion, against regular pilots in the Air Force in flying competition?

General **Killey**. Yes, sir.

Senator **Bumpers**. And don't they compare pretty favorably?

General **Killey**. We compare very favorably.

We have different competitions in almost every type of mission, from air-to-ground gunnery, to air superiority, to airlift competitions, mission support type competitions, and our photo reconnaissance competitions. Because of our experience and stability, we have certainly a greater experience level in the Air National Guard. We are able to compete very effectively against the Active component, even though we fly at a significantly lower activity level day to day.

Senator **Bumpers**. How much lower is that level? Is this based on hours of flying time per month, for example?

General **Killey**. Yes, sir.

It varies from weapon system to weapon system. Let's take a fighter.

Senator **Bumpers**. Take an F–15 squadron.

General **Killey**. Sir, an F–16 squadron, an Air Guard pilot flies approximately 10 to 12 hours per month, where an Active duty pilot flies in the neighborhood of 20 to 22 hours per month. It varies.

In the big airplane world, I would say we're looking at about 30 percent or 40 percent under what the Active component flies.

FLYING COMPETITIONS

But, to get back to your original question of competitions, I want to toot our horn a little bit. You bet we fare very favorably.

In fact, at last year's Gunsmoke Competition, which is the worldwide gunnery competition held by the U.S. Air Force, in which the Conus-based units, the European units, and the Pacific units all compete. The 169th Tactical Fighter Group out of South Carolina was the overall winner of that competition. We look for very similar results in this year's competitions. Our airlift competition, Airlift Rodeo, will be in June, and our William Tell Competition down at Tyndall Air Force Base in Florida will be this fall. Our air superiority units will compete there among each other.

Senator **Bumpers**. That's very impressive, at 55-percent of the costs. As I say, that is not to demean the Air Force in any way. It's just that this shows this is a very effective expenditure of defense dollars.

I might also say that that is one of the things, of course, that contributes to what I think is the highest morale I have ever seen in the Guard, and I stay pretty close to them. I have never seen it better.

General **Burdick**. Senator Bumpers, if I could just make a comment on that, too. This past year, the Worldwide Helicopter Championships were held in Paris, France. The U.S. Army provided seven helicopter crews. Those seven helicopter crews, U.S. Army crews, took the first seven places in the Worldwide Helicopter Championship. The Army National Guard provided three of those seven crews and we had a crew chief on each of the seven helicopters.

That says something about the maintenance of our Army National Guard aviation program.

Senator **Bumpers**. I think that says something about your training program, General, and I think morale is very important in those competitions.

RETENTION

General **Killey**. Job satisfaction, I believe, is the key to why people stay in the Guard.

If you look at our retention record in the Air National Guard this year, we are up to almost 91-percent retention of our enlisted personnel with less than 20 years. If you compare that to any other component, Active or Reserve——

Senator **Bumpers**. That's 91 percent?

General **Killey**. Yes, sir; 91 percent of our people are staying in. We have highly motivated NCO's, led by our No. 1 NCO, Chief M. Sgt. Rich Green from Little Rock, AR, who is the chief master sergeant of the Air National Guard. He is going to be going back to Little Rock this year and taking over a key position in the schoolhouse. He is our No. 1 NCO and he is part of the reasons that motivate those young men and women to stay in the Air National Guard.

Senator **Bumpers**. That is really most impressive.

The last time I called General Conaway was to try to get him to make an exception for a 64-year-old doctor who I know is going to wither up and die when he is forced to retire.

Incidentally, I didn't get my way on that one, either. [Laughter.]

HEAVY ARMOR UNITS

Senator **Bumpers**. Let me ask you this, Secretary Duncan and General Conaway.

Senator Nunn has suggested that all heavy armor be transferred to the Guard and Reserves. What is your comment on that?

I notice on page 23 of your testimony you seem to agree with that.

Mr. **Duncan**. I don't recall exactly what I said on page 23, but I tried to anticipate the committee's questions on these kinds of things. Let me beg the question partially by saying that those are precisely the kinds of discussions that we are having within the context of the Total Force Policy Study Group. We will be making recommendations to the Secretary on those things.

Clearly, we have some good, heavy armor units in the National Guard. Whether that is precisely where we will come down, I cannot predict.

Senator **BUMPERS**. I think he said the Reserves and not the Guard, but I assumed he meant the Reserves and the Guard.

Mr. **DUNCAN**. I think he meant primarily the National Guard; yes, sir.

General **CONAWAY**. He did.

Senator **BUMPERS**. It's page 25, Mr. Secretary.

Go ahead, General.

General **CONAWAY**. I agree with Secretary Duncan on that.

What we need to do, and what Chairman Nunn was saying, is I think it is best in the total force where you leave the National Guard to where we share in most of the mission areas. Don't just take the National Guard and put them into deep reserve, to where they would go at D-plus 200 or 300. We right now are in all mission areas.

The forward-deployed force has kind of the highest priority of funding, and then the contingency forces and the reinforcing forces. Obviously we want to stay as part of the contingency force, as well as the reinforcing force. Some of what I think Chairman Nunn was talking about in his flexible readiness is some of the forces will stay readier, at a higher level, a higher tempo, and others will be in a lesser ready status and a lesser tempo.

That may be a good plan, but don't put us only in one phase of that. Let the National Guard share as part of the total force in each area.

COSTING METHODOLOGY

Mr. **DUNCAN**. Senator, I would like to follow up in response to your question to me. One of the things that I am urging, as I stated in my prepared statement, is, as you have heard today, that the cost of ground forces is different than the cost of air forces. We have a tendency, both within the Department and outside the Department, to lapse into a simplistic analysis that says the Guard and Reserve always cost this much and Active forces always costs that much.

I am urging the Total Force Policy Study Group to address the issue on a mission-by-mission, unit-by-unit basis, and insure that we have the same costing methodology, that we are talking apples and apples.

Some of the services have different costing methodologies, even within their own service. So it is very important that we have a costing methodology that we all subscribe to, and that we go through with specifics—specific missions, specific units—and figure out what the costs are.

But, generally speaking, I think you can start with an assumption that most Guard and Reserve units are less expensive than Active units. Therefore, you have to measure cost savings versus the required military capability that is necessary for each particular mission.

MLRS

Senator **Bumpers**. Mr. Chairman, just one last line of questioning, and that is on MLRS.

General Conaway, we have a battalion of MLRS in Oklahoma and the second battalion that we provided for last year is going to be split between Texas and Oklahoma. I don't mind confessing before God and everybody, No. 1, that we make the MLRS in Arkansas. I am familiar with that weapon system, which I think is probably one of the weapon systems that we bought that came in under the money. It is a very effective weapon.

I would like very much to see a third battalion, and I certainly would like to see a couple of those batteries in Arkansas. I know Senator Dole would like one of those batteries in Kansas.

Taking the politics of Senator Dole and me out of it, how do you feel about it? [Laughter.]

General **Conaway**. Well, I certainly don't disagree with that, sir.

Senator **Bumpers**. You are going to get a fourth star if you keep up that kind of answer. [Laughter.]

Senator **Stevens**. If you did disagree, you would have chevrons on your sleeve. [Laughter.]

General **Conaway**. I have enough, sir. I drink from the saucer now because my cup overfloweth.

But the MLRS, as you know, we got only launchers this past year. It looked like we were going to get launchers, support equipment, and all of that. In the final budget analysis, it was only launchers.

So the prudent decision that General Burdick requested, and it worked with the Army, was to cluster them around Fort Sill, where they have this support equipment to do it.

I agree that Arkansas and Oklahoma are high up in the need for MLRS in their batteries. I think part of it would depend on what we get and the terms of support equipment to support these launchers, if we get just the launchers alone or support equipment with it.

Senator **Bumpers**. What kind of support equipment are you talking about?

General **Conaway**. General Burdick?

General **Burdick**. Sir, all of the ancillary equipment that would go with that: the trucks, the communications equipment, and all. What was provided this past year was just simply the launchers.

Now, if I could further comment on this, in our Army National Guard we have 10 divisions. Nine of these divisions should be equipped with MLRS. At the present time, we have just two battalions of MLRS.

You asked about Arkansas and also Kansas.

Sir, as you know, we provide equipment in accordance with a basis of issue plan that is directed by the Army. But Arkansas and Kansas are due to receive MLRS, and we are actively looking at that now.

Senator **Bumpers**. Could you stand a little money in the 1991 budget to get started on that?

General **Burdick**. Sir, that would be very helpful.

Senator **Bumpers**. Thank you, Mr. Chairman.

Senator **Inouye**. Senator D'Amato.

Senator **D'Amato**. Thank you, Mr. Chairman, but I will pass at this juncture.

Senator **Inouye**. Senator Kasten.

Senator **Kasten**. Mr. Chairman, thank you.

I, too, want to congratulate General Conaway and say how pleased and proud I am to have worked with him and the Guard in terms of a number of important projects for Wisconsin.

General **Conaway**. Thank you.

TOTAL FORCE POLICY STUDY

Senator **Kasten**. I want to follow up on something that Senator Stevens raised in reference to the total force policy study that we and Secretary Duncan were talking about.

We have heard some reports from the National Guard adjutants general that they are not satisfied with the composition of this study group because without their input, in their view, at least, it does not include a total perspective.

How is it, as I understand it, that all of the State AG's are not part of this group?

I will let both of you respond to this. But, Mr. Secretary, they are the commanders in the field. They believe, and I believe, frankly, that some kind of representation from those individuals in the States would be critical to a total study.

So how is it that you propose to get the input of the Guard adjutants general at the State level?

Mr. **Duncan**. Yes, sir.

First of all, let me tell you about the composition of the Total Force Policy Study Group. It includes, of course, the Chiefs of all the seven Reserve components, including General Killey, who is a former AG, and the adjutant general from the State of Washington, General Barlow.

I happen to agree that it is very important that we hear from the AG's, because they bring a perspective from the standpoint of the individual States.

As recently as yesterday, my principal deputy was out speaking to the Adjutants General Association in Colorado Springs. His specific mission was to not only talk to them, but primarily to bring back to us their views and to welcome an expression of their views, either orally, in writing, or however they wish to make it.

It is very important. I will be the first to say that it is very important, as we go about the business of this total force policy study, that we hear from everyone who has an opinion that we need to hear. Sometimes we hear opinions that some people in the study group may disagree with; but it is important that we hear a range of opinion.

That is why we are having a series of colloquia, to which we are inviting people from think tanks, former members of the Department of Defense, former military leaders, and we are inviting opinions from the adjutants general specifically as recently as yesterday.

Senator KASTEN. If I am right that they are not included on the overall task force, why did you not just pick one or two to be representative of the States? Is it that you were not sure of which States to pick, or you didn't think it was appropriate, or you would choose to get the information somewhere else?

Why didn't you add a couple of them?

Mr. DUNCAN. First of all, the decision by the Secretary of Defense of who would be on the study group was made very early. You will recall that the legislation implied that we should start early. So we did.

The first meeting of the study group was held early in calendar year 1990. So the Secretary made an early decision about the study group, made a good judgment at the time. In addition to knowing that we would welcome the views of the adjutants general individually and collectively by the means I have talked about, we do have the Chairman of the Reserve Forces Policy Board, who is a specific member of the study group. That is former Secretary of the Army Jack Marsh. On the Reserve Forces Policy Board we have the adjutants general represented there.

So we feel like we have a sufficient means to hear from the adjutants general. It is too late to change the study group composition. But certainly we will do all we can to make sure that we fully understand their views and that they are circulated to all the members of the study group.

General CONAWAY. Sir, most components have one military representative. Actually they would like to have given us one and we would like to have had three, all three of us. But the National Guard got a full two members on that panel—General Burdick and General Killey. I am not a direct member of that, but I can respond to it, like the Chiefs of Staff and the service Secretaries do, as they come out with their interim reports.

I spoke with the adjutants general yesterday and his principal deputy, Secretary Kundahl, who was out there, spoke to them in detail. I visited with them, sir, on the fact that the adjutants general are very heavy members of the Air Reserve Forces Policy Committee in the Air Force and the Army Reserve Forces Policy Committee in the Army. In addition, the Reserve Forces Policy Board that Secretary Marsh chairs has four adjutants general who sit on that.

So, all the other adjutants general are going to be encouraged to make their inputs through the adjutants general on these committees. When they get interim reports out from Secretary Duncan's total force policy study they can respond back.

We want them to be players, as I know Secretary Duncan does. It's when they start opening the door that they then, obviously, have to add field members from all of the other components as well, and you get up with the triple-sized committee that you have now.

Mr. DUNCAN. It is a very large study group right now.

Senator KASTEN. But your answer to my question, then, is that you are going to do everything you can to get all the input you can from this group of individuals.

Mr. DUNCAN. Oh, absolutely; yes, sir.

General CONAWAY. Yes, sir.

Senator KASTEN. And you believe it is needed?

Mr. DUNCAN. Yes, sir.

Senator KASTEN. I thank you for that.

Thank you, General.

Mr. Chairman, I have no further questions.

Senator INOUYE. Thank you very much.

We have several other questions that we would like to submit to all of you for your consideration and response, if I may.

Mr. DUNCAN. Yes, sir.

Senator INOUYE. Thank you very much, gentlemen, for sharing with us your thoughts on the priorities of the Reserve forces. It has been a great pleasure meeting with all of the leaders of our citizen soldiers.

Mr. DUNCAN. Thank you.

ADDITIONAL COMMITTEE QUESTIONS

Senator INOUYE. We will submit the balance of the questions for response in the record.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO GENERAL CONAWAY BY SENATOR INOUYE

AIR NATIONAL GUARD FORCE STRUCTURE

QUESTION: General Conaway, will the Department of Defense Total Force Policy Study reach a conclusion on how force structure reductions should be spread between active and reserve components?

ANSWER: As I understand the process, the Total Force Policy Study Group will provide options on Active/Reserve Forces force mix to the Secretary of Defense. The decision as to the structure will be made by Secretary Cheney and reported to Congress.

OPERATION OF MAINTENANCE

QUESTION: General Conaway, it appears that the Reserve Components may be the recipient of an equipment "windfall" as a result of Active force structure reductions. Is this a correct assessment by the Committee.

ANSWER: "Windfall" may overstate the magnitude of equipment to be redistributed. However, the ongoing redistribution of 960 M113A2 Armored Personnel Carriers and 15 M109A2 Self-Propelled Howitzers from Europe and indications that we may receive M1 Tanks from 2nd Armored Division indicate assets may be redistributed to the ARNG as the Active Component force structure changes. The types and amounts of equipment will be determined as changes are finalized.

QUESTION. General Conaway, do any of the other Reserve Components have a tactical wheeled vehicle problem similar to the Army National Guard.

ANSWER. Yes, the Army Reserve has shortages similar to those of the ARNG. OCAR, utilizes their Congressionally approved funds as we do to gain improvements in Readiness and their goal is also to fix units to the Army Standard.

COORDINATION BETWEEN THE GUARD AND JOINT TASK FORCES

Question: Are the Guard state plans coordinated with the task forces or should we view these as two separate efforts?

Answer: It is very important that all plans, National Guard, reserve forces and active components, be fully coordinated for prevention of redundancy as well as safety considerations. National Guard counter-drug support operations, conducted under the control of the Governor, are coordinated with the appropriate Joint Task Force, CONUSA AND MACOM prior to execution. This coordination effort has been further enhanced by the inclusion of National Guard liaison officers at each MACOM and JTF headquarters, and the decision of the commander of JTF-6 to provide liaison officers to The Adjutants General of the four Southwest border states.

Question: General, could you provide some examples of the best Guard state plans/operations?

Answer: There are many fine examples of state plans/operations that might be highlighted.

a. Florida's Operation Guardian (cargo inspection), one of twenty-eight states conducting this operation for FY 90, is typically productive in terms of seizures by United States Customs Service. Further, it has been refined into a very efficient operation in terms of operational costs (per diem and travel).

b. Texas' Operation Unity is designed to enhance ground and air surveillance within the desired sectors established by the United States Border Patrol. This low visibility force multiplier provides the Border Patrol with expertise otherwise unavailable.

c. Multiple-state photo/imagery reconnaissance and surveillance utilizing the OV-1D Mohawk and the RF-4C is another example of supporting law enforcement agencies with a product otherwise unavailable.

d. California's Border Ranger III is a multifaceted operation that provides support to federal, state and local law enforcement agencies. Included in this operation is cargo inspection, aviation support, and ground surveillance in the high desert and along the international border.

QUESTIONS SUBMITTED TO GENERAL CONAWAY BY SENATOR BYRD

WEST VIRGINIA NATIONAL GUARD PROJECTS

QUESTION. Now that the Administration's proposed deferrals of certain funds have been withdrawn, what is the status of the Buckhannon U.S. Property and Fiscal Office for which I secure $1.5 million in the FY 1990 Military Construction Appropriations bill?

ANSWER. The Adjutant General of West Virginia has selected Architect and Engineer services and is authorized to proceed to 100 percent design of the Buckhannon, West Virginia U.S. Property and Fiscal Office project.

Location of the project in a known flood zone delayed start of design until site approval was gained. Now approved, no further delays in project execution are anticipated once the Secretary of Defense Moratorium on Military Construction is lifted.

QUESTION. When will the funds for this project be released for the purpose for which it was appropriated?

ANSWER. It is anticipated that the appropriated funds for this project will be released within six to nine months depending on when the designs are completed and award of construction contract is successful.

QUESTION. What more can be done to accelerate the execution of this project?

ANSWER. The State is proceeding with total design and execution of the project. The moratorium on military construction imposed by the Secretary of Defense should have no effect on the award of the contract to construct this project if not extended beyond the current expiration date of 15 June 1990.

QUESTION: What is the status of the Charleston Air National Guard land acquisition project, for which I secured $300,000 in the FY 1990 Military Construction Appropriations bill. What more can be done to accelerate the project?

ANSWER: Final acquisition directive for Yeager ANG Base has been processed by the Corps of Engineers to purchase the land. Funds have been provided to U.S. Army Engineer District, Baltimore. The Baltimore District will execute the acquisition documents for the 33.65 acres.

QUESTION: What more can be done to accelerate the execution of the West Virginia projects listed in the report accompanying the FY 1990 Military Construction Appropriations bill, for which I secured planning funds?

ANSWER: All projects are under design. The January 1990 Secretary of Defense moratorium on MILCON stopped the design process. With the lifting of the moratorium, design can now resume. It is estimated that the design for all the West Virginia projects, with the exception of the Eastern West Virginia Regional Airport-Shepherd (Martinsburg) Control Tower, will be 100 percent complete by 4th quarter FY 91. Projects can be executed immediately if funds are made available.

QUESTION. What is the latest status of the Wheeling Army Aviation Support facility for which I secured $5,326,000 in the FY 1990 Military Construction Appropriation bill?

ANSWER. The Wheeling, West Virginia Limited Army Aviation Support Facility is currently under final design. The State is prepared to proceed with total design and execution of the project. However, during the course of design, additional force structure was assigned to the armory part of the complex. Consequently, the project is currently under financed an estimated $800,000 to construct an armory based on the requirements of all assigned units. Award of construction of the complete complex should proceed this summer without further delays provided the moratorium on military construction imposed by the Secretary of Defense is not extended beyond the current expiration date of 15 June 1990 and the additional funds for the armory construction are identified.

VOLKSTONE PROPERTY ACROSS FROM CAMP DAWSON

QUESTION. What are your views about the purchase of the Volkstone Facility and associated land for use by the Army National Guard units currently training at Camp Dawson?

ANSWER. The current area available at Camp Dawson is limited for training. The Adjutant General has proposed acquisition of the additional land for training Army National Guard units. However, no steps have been taken yet to complete the necessary environment studies and the real estate planning report to determine potential acquisition cost of the property. When these steps are completed, request to acquire the property will be included in the next available budget request.

Army National Guard Personnel - Programing

QUESTION. General Conaway, you have indicated that the National Guard is recruiting very successfully this year. What is the current strength in the Army and Air Guard? How do you plan to make the announced 10,000 end strength cut in the Army Guard by the end of the fiscal year (from 457,000 in 1989 to 447,000 in 1990)?

ANSWER. The current Army National Guard end strength is approximately 457,000. The Army National Guard has developed a strength management plan to reduce end strength in FY 90. The plan focuses on quality enhancements of the force. Only marginal performers and unsatisfactory participants are being considered for separation. Additionally, recruiting missions have been adjusted to limit accessions of lower quality applicants.

FORCE STRUCTURE

QUESTION: If the National Guard were given increased manpower authorizations, do you believe the National Guard could recruit and absorb some of the highly trained personnel being cut from the active forces? Are any full-time people required?

ANSWER: At the current time more than 60% of the enlisted accessions and over 90% of the officer accessions coming into the Air National Guard have prior active duty service. The ANG depends on these trained assets and there is no question that if the force structure were expanded, more active force people could be absorbed into the Guard. The requirement for full-time people is determined by the type of missions being assigned to the Guard. Those who are trained to participate only in a wartime setting are normally traditional part-time Guardsmen while such things as alert commitments, training requirements and security for bases and aircraft are full-time missions and require manning by either AGR personnel or ANG military technicians.

QUESTION: If decisions are made to increase reliance on the National Guard as a method of reducing the Defense budget, could you accept new missions, or expand current units in the Guard? Please cite any examples or suggestions of missions that could be moved to the Guard?

ANSWER: Yes, the Air National Guard could accept new missions and expand current units. Care must be taken in the selection of the new missions and the expansion (robusting) of units so as to retain the cost benefits. For example, expanding a fighter unit from 18 aircraft to 24 aircraft increases mission capability by 25% while increasing the operating cost by approximately 10-15%. Actual cost could vary significantly due to facility requirements or specific mission taskings.

QUESTION: The FY 1990 Defense Appropriations Act restored funding for force structure cuts in the Guard and Reserve that have been proposed in the budget -- the second consecutive year that funding had to be restored for the Air Guard and Air Force Reserve. Has the Air Force continued funding in the FY 1991 budget for the units that were restored last year? How much funding and manpower is needed to maintain the same units this year?

ANSWER: No, there is no continued funding for force structure restorals in FY 1991 budget. Congressional restorals for FY 1990 which are not in the FY 1991 budget include: Nashville, 8 C-130, 2523 flying hours, 67 technicians, 265 drill personnel, 22 AGR, $7.4 million Operation & Maintenance, $2.4 million Military Personnel, $.2 million aircraft procurement, $10.0 million total; Channel Island, manpower authorizations of 152 drill personnel, 11 AGR; Andrews AFB, MD and Springfield, (Capital), IL, 6 PAA F-16As (at each location), 1792 flying hours, 40 technicians, 130 drill personnel, 8 AGR, $6.4 million Operation & Maintenance, $1.0 million Military Personnel, $.6 million aircraft procurement, $8.0 million total; Moffett Field, 1 MH-60, 256 flying hours, 5 technicians, 3 drill personnel, $.4 million Operation & Maintenance, $.4 million total; Suffolk County, 1 HC-130, 300 flying hours, 8 technicians, 6 drill personnel, $1.0

million Operation & Maintenance, $.1 million Military Personnel, $1.1 million total; finally, at five locations the addition of 2 KC-135E aircraft, 1520 hours, 120 technicians, 289 drill personnel, 125 AGR, $7.4 million Operation & Maintenance, $4.4 million Military Personnel, $.1 million aircraft procurement, $11.3 million MILCON, $23.2 million total.

QUESTION. Was the National Guard consulted on the proposed decrease in the Army Guard force structure? If the Army Guard units are maintained this year until the Department of Defense Total Force Policy Study and long-term force structure decisions are completed, how much funding would be needed in addition to the amount included in the budget?

ANSWER. The National Guard was involved in the decision making and staffing process that lead to the current force structure proposals. Concerning your second question, no Army Guard units are being taken out of the force in FY 90 as a result of the Total Force reductions. However, the Army Guard is reducing its end strength in FY 90 from 457,300 to 447,300, a reduction of 10,000 soldiers. To reconstitute the Army National Guard end strength to 457,300 in FY 91, and to replicate the FY 89 level of effort, would require an additional $51M National Guard Personnel Account (NGPA) funds beyond the amount currently programmed.

QUESTION. In your opinion, should any significant changes be made in the type of missions or readiness of the National Guard as the Defense budget is decreased? The Army appears headed toward making the Guard and Reserve a "deep reserve" force, with the active Army providing all the forward deployed and contingency forces. Others have suggested an even more heavy reliance on early use of the Guard and Reserve -- that the Guard and Reserve should have a cross section of all missions and priorities. Would you please comment.

ANSWER. As part of the Total Army, the Army Guard is involved in a wide range of missions. These include reserve and contingency warfighting missions, drug interdiction and nation building initiatives, among others. Assuming the execution of the proposed Active Army reduction, the Army Guard is capable of expanding its role in any of these mission areas. Readiness of Guard units is good and is getting better. For example, the reduction of the Total Army will likely create a windfall of displaced equipment for Guard units. When combined with adequate resourcing, this will quicken the pace of our units' equipment modernization. Our personnel readiness is in good shape, particularly in the sun belt states where we have good force structure growth potential. Principal considerations in determining degree of reliance on various forces are the size of a possible military engagement, likelihood of such an engagement, anticipated warning time, national will to respond with reserve forces, and risk associated with each.

QUESTIONS SUBMITTED TO GENERAL CONAWAY BY SENATOR LEAHY

ARMY GUARD PERSONNEL REDUCTIONS

QUESTION. General Conaway, The Washington Post reported on the recommendation of Secretary Stone to reduce Guard and Reserve forces from 776,000 to 645,000. Did the Guard submit a different personnel strength proposal than the final Army recommendation? What are your views on Secretary Stone's proposal to cut Guard and Reserve forces by over 125,000?

ANSWER. The reserve component comprises one-half of the Army's combat forces and nearly two-thirds of its combat support and combat service support forces. As requirements are reduced, in accordance with doctrine to reflect a lower threat, the Army proposes reductions to structure and end strength to reflect these lower requirements.

To maintain the balance among the Army's components, it is proposed that the Army National Guard be reduced by 76,000 personnel and associated force structure -- 10,000 in 1990-1991 and the remainder in 1992-1994. The Army's fiscal year 1991 budget submission reflects the fiscal year 1990-1991 reductions. However, the Department of Defense has convened a study group to review Total Force policy. Their preliminary report will be made to Congress in September 1990 with the final report and recommendations due by the end of the calendar year. Actual reductions after fiscal year 1991 will be largely dependent upon principles being developed.

FORCE STRUCTURE

QUESTION. General Conaway, there are a number of Army divisions that are made up of a mix of active and reserve components. These divisions are composed of two active army brigades and a so-called round-out Guard or reserve brigade. Has the Guard bureau and Army considered creating "super" round-out divisions with two Guard brigades and one active brigade? Could "super" round-out units be used to decrease personnel costs but maintain basic force structure?

ANSWER. This concept has been considered, but not subjected to a validation test. I believe the concept has merit and would allow the Army to maintain divisional structure cost-effectively. Other considerations are the conditions under which such a division might be employed vis-a-vis a round-out or fully reserve component division, and any alternative use of active end strength that may be less restrictive.

QUESTIONS SUBMITTED TO GENERAL CONAWAY BY SENATOR DECONCINI

FORCE STRUCTURE

QUESTION. Does the Guard Bureau still intend to deactivate the Military Police units?

ANSWER. Yes. This issue was presented to the Secretary of the Army and on 13 February 1990, his decision to proceed with inactivations of these units was released.

QUESTION. Has any thought been given to maintaining all or some of these units, because of their increased role in the drug war and their use in "low intensity conflict" situations? What about the loss of valuable Guardsmen who are also trained in law enforcement who work along the border with Mexico in their civilian jobs, and who are fluent in Spanish?

ANSWER. Yes. National Guard Bureau has been actively pursuing retention of military police force structure for the past three years. We have used all considerations such as increased role in drug war, low intensity conflicts and the fact that Guardsmen are also law enforcement officers with fluent language skills to no avail. Secretary of the Army stated the Army has embarked on an ambitious course to reduce the Total Army and maintain the active and reserve composition and mix which the nation will need for its future warfighting requirements.

QUESTION. Is the deactivation due to a lack of funding for the military police? Is this a decision which could be reconsidered and reversed?

ANSWER. The Army's military police force structure reflects its doctrinal requirements.' The doctrinal basis for Army support force structure is determined during the biennial Total Army Analysis (TAA). The reduced requirement was first identified in FY 86 (TAA 93), and revalidated in FY 87 (TAA 94) and FY 88 (TAA 96) based upon changed ruling allocation, changes in prisoner of war capture rates, and agreements for host national responsibilities. The Army has traditionally structured units on warfighting requirements, and these valid requirements have been adequate to meet peacetime contingencies. Since the drug mission occurred after TAA 96 decisions and the Army National guard is playing such a larger role, it is feasible for the Army to relook these decisions in the next TAA.

DETERIORATION OF LIBBY AIR FIELD IN ARIZONA

Question: As you are probably aware, the runway at Libby Air Field at Fort Huachuca is rapidly deteriorating. This is the runway which was expanded in 1983 after the crash over Tucson, Arizona of a training mission flight. The National Guard was the contracting office for the runway extension.

Now, however, the runway is falling apart. I was there in December and saw the holes in the runway and the chunks of tarmac that are broken off after each plane lands. Originally designed for fighter aircraft touch-and-go training, now large heavy planes such as C-5s and C-141s are landing on the runway. I have been informed that the operations and maintenance funds which are being used almost daily to repair the runway are rapidly running out. My staff has also been informed that the runway may have to be closed down as early as this July. Apparently, the Army Corps of Engineers has prepared a study of the runway and its needs for repair. Are there any emergency funds available in the Guard Bureau or in the Army's budget to begin initial repairs on the runway immediately?

Answer. At this time there are no emergency funds available within the budget to begin repairs, either in the active Army or the National Guard Bureau. A requirement in the amount of $16.5 million has been identified to correct major defects in the 12,000 foot runway at Libby Air Field at Fort Huachuca built by the Arizona Air National Guard. This runway, constructed at a cost of $20 million, was accepted by Fort Huachuca from the National Guard in 1986. After only 16 months of operations, several areas were found to have failed, and required repair. Cause of the failure was believed to be moisture in the sub-base. Recently, many more areas show signs of failure. The Corps of Engineers, Vicksburg, has investigated the problem and recommended alternative solutions.

Question. Are there funds in the FY91 budget to repair this runway and do it correctly? I have been given estimates that it may cost between $7 million and $14 million to complete the job.

Clearly, this is an emergency for the Army and the National Guard. The mission performed there is a valuable one. I want to work with your office to see that the repairs are made and made correctly.

Answer. There are no resources included in the FY91 President's Budget request to fund this $16.5 million project. Emergency repairs will continue to be made pending the programming of a project to repair this failed facility.

QUESTIONS SUBMITTED TO GENERAL BURDICK BY SENATOR INOUYE

OPERATION OF MAINTENANCE

QUESTION. General Burdick, in your prepared statement, you indicate that the continuing shortage of 5-ton cargo trucks in the medium, tactical wheeled fleet remains the Army National Guards's "most critical need." If this is true, the Committee wonders why the Guard does not spend more of the undesignated funding provided by Congress to meet this critical need?

ANSWER. The undesignated, "miscellaneous", funding has been the primary source of funding for the procurement of 5-ton family of vehicles, buying 58% of those procured. Since the inception of the Dedicated Procurement Program, 5-ton trucks have been specified as a primary budget line item in only FY 1985, FY 1987 and FY 1990, which accounted for the remaining 42%.

QUESTION. General Burdick, if the 5-ton truck problem is as severe as you indicate, why have you not planned to procure any 5-ton trucks with the $314.9 million provided by Congress for the Army National Guard in the FY 1990 Bill?

ANSWER. Truck shortages in the ARNG are well documented, especially 5-ton cargo trucks. Although 5-tons could be procured, we have bought over 2000 trucks which today remain undelivered. This situation dictated caution on our part and resulted in our decision to procure HEMMTS as opposed to the 5-ton vehicles.

QUESTION. General Burdick, will the reduction of active force structure and the resultant equipment redistribution improve your 5-ton truck problem.

ANSWER. Yes, the Active Component is working closely with my logistics division in the planning for drawdown of Active structure. The FY 90 planned reductions in the Active component could provide as many as 287, 5-ton vehicles to the ARNG.

SERVICE LIFE EXTENSION PROGRAM

Question. The letter dated 5 Mar 1990 from Secretary Duncan indicates that you intend to spend $10 million on a vehicle "Service Life Extension Program" (SLEP). Do you intend to execute your own SLEP program or do you intend to participate in the Active Component program?

Answer. Our concern is with the Army National Guard's medium truck posture and sustaining those assets on hand past the end of their economic useful life.

The Army National Guard has reevaluated the intent of the Congressional budgeting of the $10 million referred to by Mr. Duncan and has determined that we could not apply the funds to initiate an Army National Guard SLEP.

The Army National Guard desires to participate in the Active Component SLEP. The Active Component SLEP program will include the Reserve Component's "first to fight," or "Roundout," units as priority participants and does not begin to include all ARNG requirements. The Army National Guard as a whole requires a near-term program to extend the service life of trucks to all units. This program can be developed in concert with the Active Army's Wheeled Vehicle Modernization Plan, however, the Army's SLEP strategy will not meet the ARNG's immediate requirement.

QUESTION. General Burdick, in last year's Conference report, the Army National Guard received $101 million for the procurement of a variety of M113 armored personnel carriers (APC's). In a letter dated 5 March 1990, the Army National Guard outlined a plan to buy 159 M113A3's, 75 M577A2's, 38 M981's, and convert 161 M113A2's to M113A3's. Staff now informs that this plan has changed as a result of an Army decision to redistribute M113A2's to the Guard from Active units being pulled out of Europe.

Would you please tell the Committee about this new plan and how will it change your FY 1990 procurement program?

ANSWER. Congress provided $101 million in the FY 90 National Guard and Reserve Equipment for M113 Family of Vehicles. The appropriations conference language said to put a portion of the funds towards each of three concerns, FISTV, M113A3 procurement, and M113A2 to M113A3 upgrade. NGB-ARL initially allocated funds to procure 159 M113A3, convert 151 M113A2 to A3, build 44 FISTV and buy 75 M577 Command Post Carriers. DA later identified 960 M113A2 to be provided to the ARNG from Europe, easing the critical readiness problem for M113. DA computes no shortage for M113 in FY 94 in the ARNG based on requirements reduction of 1,470 M113 due to ARNG unit inactivations. Recognizing that requirements for the M113s would be met, we initiated action to shift funds from M113A3 procurement to another member of the M113 Family (M577 Command Post Carriers) which is in short supply and which is not being redistributed from DA.

QUESTION. General Burdick, will the Army National Guard receive main battle tanks, either M1's or M60A3's, faster than planned as a result of Active Force structure changes?

ANSWER. Yes, in coordination with ODCSLOG and ODCSOPS we are conducting planning for the receipt of M1 tanks being displaced by force structure actions. In FY 90 we are expecting to receive 58 M1s and in FY 91 another 116. The units scheduled to receive these tanks have been identified and planning activities are ongoing.

ARMY GUARD ROUNDOUT UNITS

QUESTION. General Burdick, several Army National Guard brigades currently "round out" active Army combat divisions. Usually this involves a ratio of one Guard brigade to two active brigades. Some analysts have suggested "super" or "reverse" roundout units with two Guard brigades rounding out an active brigade to form a division. What is your opinion of these new roundout concepts? Do you think we will likely see such proposals in FY 1992? General Burdick, do you think the roundout program has been a success? Are these Guard units more ready than non-roundout units?

ANSWER. I believe this concept has merit as it would allow the Army to maintain divisional structure cost-effectively. It is currently being considered by the Army staff, along with many other force structure options. However, there is no indication that it will be approved for implementation or validation testing.

The roundout program has been a great success for the Total Army, and I look forward to its continuation. Typically, our roundout units are at a higher readiness posture than non-roundout units because of their association with their parent active component unit, and because they have a higher priority for resources.

GUARDSMEN IN DISASTER RELIEF

QUESTION. General Burdick, last year the Comptroller General ruled that Guard military technicians that fought fires in California could not use paid leave because paid leave can only be used for assisting law enforcement (not firefighting).

Do you think that the Comptroller General's opinion will have a negative impact on getting Guardsmen to volunteer for such disaster relief activities?

ANSWER. Current laws and the Comptroller General decision make it difficult to gain the participation of technicians and other Guardsmen who are federal employees in handling disaster relief activities. First, Law Enforcement Leave (LEL) is determined to be appropriate by the Comptroller General only in cases where a member of the National Guard is actually assisting law enforcement officers or otherwise performing law enforcement functions. Prior to the 1989 decision, LEL was considered appropriate for relief activities such as firefighting, flood control, hay drops to stranded livestock, etc. The only way Guard members can leave their job now to support those emergencies is to take personal leave. Second, a civilian employee's pay is offset by the amount of military pay earned while on LEL. If the military pay is equal to or greater than the civilian pay, then no civilian earnings are recorded. Since both employee and government contributions to the Thrift Savings Plan are controlled by civilian wages earned, the civilian will actually experience a loss of benefit. Third, a member must use LEL when supporting law enforcement activities unless he has already used the 22-day entitlement. Even if they are willing to use earned annual leave to prevent the pay offset, they can't. The National Guard Bureau supports the employee having the right to choose the leave status.

GUARDSMEN IN DISASTER RELIEF

QUESTION. Has the Administration prepared any legislative proposal to provide relief?

ANSWER. Legislation is being considered which would permit civilian employees to select the type of leave most advantageous to them when supporting disaster relief activities. A legislative proposal which would expand the interpretation of when LEL could be used to include all situations where civilian employees were providing aid to civil authorities in the protection or saving of life or property or prevention of injury has been approved and will be forwarded to Congress in the near future. These changes would relieve the barriers to gaining civilian employee support of disaster relief.

QUESTIONS SUBMITTED TO GENERAL BURDICK BY SENATOR DECONCINI

OUTFITTING OF APACHE BATTALIONS FOR THE GUARD

QUESTION: When will the Arizona battalion begin receiving its Apaches? Are these Apaches being delivered on schedule? What steps are being taken to ensure that the Apache battalions for states like Arizona are provided the necessary Apache maintenance personnel?

ANSWER: The Arizona battalion will begin to receive Apache helicopters commencing October 1991 and complete fielding first quarter 1992. Currently, this fielding is on schedule and was confirmed at the Worldwide Aviation Logistics conference recently. When the Arizona battalion converts to Apache, a shortfall of 25 Apaches maintenance personnel will occur. Although requirements are documented, authorizations are limited by Headquarters, Department of the Army budget constraints producing a no growth environment for fulltime maintenance personnel. Making up this shortfall will require additional resources that are not currently available.

TRANSFER OF NAVAJO DEPOT IN ARIZONA TO THE NATIONAL GUARD

QUESTION. As part of the Base Realignment and Closure Commission recommendations, which were accepted by the Secretary of Defense and passed into law, the Navajo Depot near Flagstaff, Arizona is to be transferred to the National Guard. I believe that this was a wise decision on the part of the Commission because this is the only site in the northern part of the state for storage of munitions. Also, and more importantly, the Depot land is used extensively by the Guard for year-around training and weekend maneuvers.

- It is my understanding that the transfer is to occur in Fiscal Year 1994. Is there any possibility that the transfer can be expedited to allow the National Guard to pursue additional missions?

ANSWER. The real estate accountability has been transferred from the Army to the United States Property and Fiscal Officer for Arizona. Any additional missions for the Navajo Depot would have to comply with the current and amended provisions of the license which will be issued by the Corps of Engineers.

QUESTION. Are there any military construction needs at the depot in FY 91? Are there any known environmental problems with the site?

ANSWER. The current Army National Guard Long Range Construction Plan does not identify any FY 91 construction needs for Navajo Depot.

Currently, the Corps of Engineers is conducting an Environmental Impact Study for the AZARNG to determine the extent and magnitude of problems that may exist at the site and will recommend appropriate actions to be taken if necessary.

QUESTION. Have discussions begun with the Forest Service over the eventual legal status of the Navajo Depot?

ANSWER. The Army Judge Advocate General has determined from the language of the Base Closure and Realignment Act that the land does not have to be returned to the U.S. Forest Service provided that the license to the State, prescribing the terms and conditions of that use, is amended to reflect that the primary purpose of the authorization is to facilitate training in the Army National Guard's capacity as a state entity under Title 32, United States Code. The amendment to the license is currently being prepared by the Corps of Engineers.

QUESTION SUBMITTED TO GENERAL KILLEY BY SENATOR INOUYE

HAWAII NATIONAL GUARD REDUCTIONS

QUESTION: General Killey, last year the Air National Guard proposed deactivating several units. The Congress disapproved these reductions, including the deactivation of the 150th Air Warning Group at Kokee, Kauai. Last year, the Department argued the unit should be deactivated because the unit had an old, non-mobile radar. In FY 1990 the Congress procured a new mobile radar for the unit and increased funding for all full-time personnel and drilling Guardsmen.

I understand that the FY 1991 budget again proposes to disestablish this unit.

-- Is that correct? What is the rationale for reducing this unit now that it is getting a mobile radar?

ANSWER: The Air National Guard and Air Force mutually agreed to retain the 150th Air Warning Group in Kokee, Kauai. However, to keep the unit a mission change was required and therefore a conversion to different equipment. Although there are minor difficulties in the budgetary process in executing the conversion, the unit will be funded in the FY 92 POM.

QUESTION SUBMITTED TO GENERAL KILLEY BY SENATOR BUMPERS

FLIGHT TRAINING

QUESTION: It is my understanding that when the Israelis have their "Guard/Reserve" pilots do their flying hours that they perform only one quick flight and then land and go over their performance before they go up again. Is this true? Given the Israelis' superb record, are there any tips that we should be picking up from them on how to keep our Guard pilots at maximum proficiency without going broke in the process?

ANSWER: The Israelis are using a method of training utilized by the U.S. Air Force for some years, in fact a technique gained from their close ties with us. Current training procedures in the ANG call for aircrews to thoroughly plan a mission prior to execution using the talents of all the flight members under the direction of a highly experienced flight leader or aircraft commander. This includes reviewing training requirements and available resources in order to match the aircraft configuration and other flight members experience and requirements to maximize the training to be accomplished. The mission is then briefed prior to the flight detailing each phase of the mission. The mission is flown according to the training plan, with the flight leader monitoring the mission objectives or "lessons to be learned." If at any time it is felt that the objectives are not being met, that portion of the flight may be reaccomplished. After the flight, the flight members attend a mission debriefing session to analyze their performance, critique the mission plan, and discuss improvements or lessons learned for incorporation into the next flight. For an ANG fighter unit, this briefing, flight, and debriefing cycle lasts approximately four hours. The average ANG fighter aircrew will accomplish two such flights in a typical training day. Since the Israeli Air Force fighter squadron manning is similar to that in the ANG (7 or 8 full-time aircrew, the rest part-time "reservists") this same system has worked well for them also.

Senator INOUYE. Next we will take up the matter of drug interdiction.

General Conaway, given the National Guard's interest in this, can you remain as a witness here, please.

The subcommittee will now turn its attention to the new mission of the Department of Defense: drug interdiction and counterdrug activities.

Mr. DUNCAN. Mr. Chairman, excuse me. We were looking to see if all of our JTF commanders are here. We had expected this portion of the hearing to start at about 11.

Senator INOUYE. Very well. We will take a short recess, subject to the call of the Chair.

Mr. DUNCAN. Thank you very much, sir.

[A brief recess was taken.]

Senator INOUYE. The subcommittee will return to order.

Drug Interdiction and Counterdrug Activities

STATEMENT OF HON. STEPHEN M. DUNCAN, ASSISTANT SECRETARY OF DEFENSE (RESERVE AFFAIRS)

BUDGET REQUEST

Senator Inouye. The subcommittee will now turn its attention to the new mission for the Department of Defense, drug interdiction and counterdrug activities.

The DOD's fiscal year 1991 budget request includes $1.2 billion for drug interdiction and counternarcotics activities. The request includes $539.8 million for operations and maintenance; $553.5 million for procurement; $65.5 million for National Guard pay and allowances; $20.3 million for research and development; and $28.8 million for construction costs. As requested in the committee's report last year, the budget consolidated counternarcotic program funding in a central appropriations account.

DOD's Drug Interdiction Program has come a long way in a very short time. For many years, members of the subcommittee, notably Senator D'Amato, my vice chairman, Senator Stevens, Senators DeConcini, Cochran, and Specter, advocated that the Department assume a leading role in the war on drugs.

Finally, 1½ years ago, the Congress passed legislation designating DOD as the single lead agency of the Federal Government for detecting and monitoring aerial and maritime transit of illegal drugs into the United States.

The DOD estimates significant changes to accomplish this new mission. Three joint task forces have been established and reported recently to the CINC's.

The National Guard has established antinarcotic operations in 50 States. Flying and steaming hours have been increased and more surveillance platforms, such as AWACS, have been dedicated to the counternarcotics mission.

DOD'S ATTITUDE CHANGING

Most importantly, due in large part to Secretary Cheney's and General Powell's personal efforts, the Department's attitude toward drug interdiction is changing.

The importation of illegal narcotics into the United States is now considered to be a real national security threat and the stemming of the flow is a high priority mission of our military forces.

INTRODUCTION OF WITNESSES

This morning, the subcommittee will hear from several witnesses. Once again, we have Assistant Secretary of Defense, Stephen Duncan, Department of Defense Coordinator for Drug Enforcement Policy and Support; Lt. Gen. John B. Conaway, Chief of the National Guard Bureau; Vice Adm. James C. Irwin, Commander, Joint Task Force No. 4 at Key West, FL; Rear Adm. William P. Leahy, Commander, Joint Task Force No. 5 at Alameda, CA; Lt. Gen. George R. Stotser, Commander, Joint Task Force No. 6 at El Paso, TX; and Maj. Gen. Walter E. Webb, Vice Director for Operations of the Joint Chiefs of Staff.

Gentlemen, we are pleased to have you with us this morning. Your full statements have been received and made a part of the record.

Secretary Duncan, please proceed.

STATEMENT IN BRIEF

Mr. DUNCAN. Thank you, Mr. Chairman.

Mr. Chairman, in anticipation that the committee might have a wide range of interests, I have prepared a very comprehensive written statement which, as the chairman has already noted, has already been submitted for the record. I would, however, like to briefly summarize what the Department has done during the past year with respect to the counternarcotics mission because it has, by any standard, I think, been a very vigorous year. As the chairman pointed out, we have come a long way in a short time in the performance of a mission which is very important to the American people.

Let me give a quick summary.

Last summer, during the calendar year of 1989, the Department was busily involved, at the direction of Secretary Cheney, in helping the President prepare the national drug control strategy, at least from the standpoint of how the Department of Defense could contribute to that strategy. That strategy was announced on September 5. By that time, we had already been improving and fulfilling the three statutory missions which had been given to the Department of Defense by the Fiscal Year 1989 Authorization Act, including the enhanced mission and enhanced role of the National Guard, the C^3I mission, and, as the chairman pointed out, the detection and monitoring mission of aerial and maritime transit of illegal drugs.

COUNTERNARCOTICS MISSIONS OF DOD

On September 18, Secretary Cheney took an additional step. He defined the drug problem within the Nation as a high-priority national security mission of the Department of Defense. He asked the Commanders in Chief to submit plans for their own contribution to the implementation of the President's national drug control strategy within their respective areas of responsibility.

Those plans were submitted.

Meanwhile, on about November 13, we created a new joint task force, Joint Task Force No. 6. The Commander of Joint Task Force No. 6 is, of course, here with us today. We have been engaged in the process of standing up that joint task force.

Meanwhile, the Secretary evaluated all of the proposed plans of the various Commanders in Chief, and, on March 9, we announced the plans that had been approved by the Secretary. So that there is no misunderstanding—it should be understood that these are initiatives taken by Secretary Cheney to implement the President's strategy. The initiatives go beyond the three statutory missions assigned to the Department by the Congress.

At this moment, we are working very diligently to try to improve the performance of all of our missions, statutory and otherwise. We are also doing such things, as the chairman pointed out, as taking managerial steps that we think are necessary to improve our performance, such as the consolidation into a single DOD program and budget of all the counternarcotics activities of the Department, with the exception of a couple of agencies like NSA and DIA.

So, with that introduction, Mr. Chairman, let me say that I agree. I think the Department fairly can be characterized with having come a long way in a short period of time.

Have we solved all of the problems? No. Do we still have a lot of challenges? Yes. But I am very satisfied with the progress.

With that, I welcome all of the committee's questions.

Thank you very much.

Senator INOUYE. Thank you, Mr. Secretary.

[The statement follows:]

STATEMENT OF STEPHEN M. DUNCAN

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before you today to discuss both the initiatives which have been taken by the Department of Defense in the implementation of the President's National Drug Control Strategy and the performance of the counternarcotics missions which have been assigned to the Department by legislation.

The Nation's fight against illegal drugs has been the focus of substantial attention and effort by the Department in recent months. Much has been accomplished. Substantial resources have been allocated and are being requested to facilitate a continuous improvement in performance. Aggressive and energetic leadership within the Armed Forces is contributing greatly to the progress that has been made. Much, however, has yet to be done.

I have included in this prepared statement a comprehensive description of the counternarcotics activities of the Department of Defense (DoD) since the summer of 1989. Before I address those activities, however, permit me to briefly explain how the Secretary of Defense has organized the Department for the development and implementation of our Counternarcotics Program.

Responsibilities of the DoD Coordinator for Drug Enforcement Policy and Support

Although I am simultaneously serving as the Assistant Secretary of Defense for Reserve Affairs, I am appearing here today in my capacity as the Department of Defense Coordinator for Drug Enforcement Policy and Support. I have been serving as the DoD Coordinator since April 22, 1989.

My responsibilities as Coordinator do not preempt the existing responsibilities of the other principals within the Office of the Secretary of Defense in the formulation of policy for anti-drug programs other than drug enforcement support programs, nor do they affect the normal chain of command for military missions conducted in support of anti-drug law enforcement efforts. I do, however, serve as the principal staff assistant and advisor to the Secretary of Defense for drug control policy, priorities, systems, resources and programs. I have been specifically charged by Secretary Cheney with the responsibility to make recommendations and to issue guidance on the DoD drug control plans and programs.

The responsibilities of the Coordinator require close cooperation with other OSD principals. In the case of international issues in the Andean region, for example, I work closely with the Under Secretary of Defense for Policy, the Assistant Secretary of Defense for International Security Affairs, and the Assistant Secretary of Defense for Special Operations/Low Intensity Conflict. I also work closely with the Chairman of the Joint Chiefs of Staffs and the Joint Staff on support operations, equipment and training requirements.

As Coordinator, I have two Deputy Assistant Secretaries of Defense who report to me directly. The Deputy Assistant Secretary for Drug Enforcement Policy is a civilian. The Deputy Assistant Secretary for Drug Enforcement Plans and Support is a Major General in the United States Army. They are supported by a staff of civilian and military personnel. Recently, and even as the Secretary of Defense was imposing a hiring freeze on the DoD and ordering a reduction in the size of the Office of the Secretary of Defense, i.e., the support staff for the Pentagon's civilian leadership, I was authorized to increase the size of the Office of the Coordinator to a total of 36. This fact alone speaks eloquently about the priority that has been given by Secretary of Defense Dick Cheney to the Department's counternarcotics missions.

The Counternarcotics Missions of the Department of Defense

Title XI of the FY 1989 National Defense Authorization Act gave the Defense Department significant new responsibilities. First, the Department was directed to serve as the "single lead agency of the Federal Government for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States." Second, the legislation required that the Secretary of Defense integrate into an "effective communications network," the "command, control, communications, and technical intelligence assets of the United States that are dedicated to the interdiction of illegal drugs." Finally, the Act provided for an enhanced role for the National Guard, under the direction of State Governors, to support State drug interdiction and law enforcement operations.

On September 5, 1989, the President issued the first phase of the National Drug Control Strategy. The Strategy emphasizes a multinational and multi-agency approach to the reduction of both the supply of, and the demand for illegal drugs. On September 18, 1989, Secretary Cheney issued broad, new guidance to the Department of Defense which was designed to assist in the swift and effective implementation of the President's Strategy within the Department. Stating that international trafficking in drugs is a national security problem for the United States, that the DoD has a "crucial role" in defending the United States from the scourge of illegal drugs, and that it will employ the resources at its command to accomplish that mission effectively, the Secretary designated the detection and countering of the production, trafficking, and use of illegal drugs as a "high priority national security mission of the Department of Defense." He simultaneously informed all of the Commanders-in-Chief (CINCs) of the Unified and Specified Commands of the elevated priority of the Department's counternarcotics missions and he directed certain of those commanders to prepare specific plans for the implementation of the counternarcotics missions in their respective areas of responsibility.

A description of the progress that is being made in the performance of each of these missions is set forth below.

Detection and Monitoring the Transit of Illegal Drugs

Last year, I informed the Congress that shortly after the Department of Defense had been designated as the lead agency for the detection and monitoring mission, the Secretary of Defense assigned to the Chairman of the Joint Chiefs of Staff the responsibility for defining the organizational responsibilities and developing the necessary plans to implement the mission. In December 1988, the regional execution of this mission was ordered through the Chairman of the Joint Chiefs of Staff who directed the CINCs of the U.S. Atlantic Command (USCINCLANT), the Pacific Command (USCINCPAC), the North American Air Defense Command (CINCNORAD), and the Southern Command (USCINCSO) to be responsible for DoD's counternarcotics operations within their respective functional or geographical areas of responsibility. The command and control organizations of the CINCs have been simple and direct since that time. Two joint task forces were created and have been dedicated to the anti-drug detection and monitoring missions. The Commander of Joint Task Force 4 in Key West, Florida is a Coast Guard Vice Admiral who reports to USCINCLANT. The Commander of Joint Task Force 5 in Alameda, California is a Coast Guard Rear Admiral who reports to USCINCPAC.

All four CINCs gather and process multi-source tactical intelligence information, make use of data which is available from limited fixed surveillance assets, and coordinate or direct the efficient and effective application of mobile tactical surveillance assets to fill in gaps of radar coverage, conduct surge operations, and extend radar surveillance. Each regional commander has established a regional intelligence apparatus to obtain real-time, tactical information on drug trafficking within their areas of responsibility so that it can be shared with other Federal agencies.

Expanded Operations of the Commanders-in-Chief of Certain Unified and Specified Commands

As a result of the September 18, 1989, directive of the Secretary of Defense, the Commanders-in-Chief of certain of the Unified and Specified Commands have developed an additional set of tightly drawn plans to expand the Department's role in implementating the President's National Drug Control Strategy. The plans were approved by the Secretary and on March 9, 1990, I briefed staff representatives of both the House and Senate on the details of the plans. On the same day, I made a public announcement of the implementation of the plans.

The North American Aerospace Defense Command (NORAD), which is charged with the defense of the air sovereignty of the North American continent, has expanded its mission to include the new detection and monitoring responsibilities of the DoD. CINCNORAD will employ a network of 44 ground radars which are designed to warn of high altitude penetrations of U.S. airspace. Coverage of low-flying aircraft will be accomplished with the use of 16 land-based aerostats (tethered balloons with radar) which, when in place in FY 1992, will form a detection "fence" along the Southern U.S. border. CINCNORAD will deploy mobile ground radars in strategic areas to help close known gaps.

CINCNORAD also plans to strengthen the patrol of the Southern border and coasts by calling on E-3 AWACS aircraft. Over 40 percent of the worldwide AWACS flying hours will be dedicated to the DoD counternarcotics missions. CINCNORAD can also call on any number of its 50 interceptor alert aircraft, which are positioned at 25 locations across the United States. These aircraft can assist the U.S. Customs Service and U.S. Coast Guard with tracking missions when required.

The Forces Command (FORSCOM), headquartered at Fort McPherson, Georgia, has been given responsibility for coordination of all DoD operational support to counternarcotics activities on the ground in the continental United States, particularly along the Southwest border. CINCFOR will use Army, Marine Corps, and Air Force elements in the operations and will ensure unity of effort at the state level by coordinating with the National Guard. CINCFOR will offer a wide range of training and support to Federal, state and local law enforcement agencies. Training and assistance will be provided in such areas as intelligence analysis, transportation of law enforcement agents, detection and monitoring, use of ground sensors, photo reconnaissance, and engineering support activities such as construction of observation posts, brush clearing, road improvement, and firing range improvement.

On November 13, 1989, the Secretary of Defense announced the activation of a third anti-drug Joint Task Force, JTF-6 at Fort Bliss, El Paso, Texas. Joint Task Force-6 will serve as a planning and coordinating headquarters to provide counternarcotics support from the DoD to Federal, state and local law enforcement agencies along the Southern border. While the initial focus of FORSCOM's effort will be on the Southwest border, planning and coordination will begin among other Army headquarters and with regional law enforcement agencies. The various Army headquarters will work with law enforcement agencies to determine their specific operational support requirements and will then establish procedures to follow the requests for support through proper channels for approval.

The USCINCLANT has developed a plan to detect and monitor the flow of drugs in international waters and airspace prior to the entry of drugs into U.S. territory. The Atlantic Command has conducted counternarcotics operations for several years in the Atlantic and Caribbean and it will continue to use four or five Naval ships at any given time expressly for that purpose. It will also significantly increase its employment of E-3 AWACS flights to extend radar coverage in the Caribbean. U.S. Navy and Coast Guard forces have been jointly operating in the Caribbean since 1981. These patrols continue today, as the largest joint Navy-Coast Guard operation since the Vietnam Conflict.

The Atlantic Command and the Pacific Command each continue to use, in addition to E-3 aircraft, more than eight other classes of aircraft and six classes of ships for counternarcotics operations. The aircraft include E-2 Hawkeyes, P-3 Orions, Seahawks, Sea Sprites, Broncos, Vikings, F-4 Phantoms and F-14 Tomcats. The ships include destroyers, frigates, aircraft carriers, patrol hydrofoils, and a variety of amphibious and logistic support ships.

Due to the size of the Pacific Ocean and the number of vessels which cross it routinely, much of the effort of the USCINCPAC will be in the areas of intelligence cueing and data collection for the sorting of drug trafficking vessels. Accordingly, the Pacific Command has diverted significant intelligence manpower to fully dedicated counternarcotics functions. For FY 1990, dedicated counternarcotics ship days are expected to increase by 146 percent over FY 1989. It is further expected that military aircraft will fly over 2,600 dedicated counternarcotics hours in the Pacific during FY 1990, an increase of 24 percent.

The Pacific Command will also use military dog teams when requested to assist law enforcement agencies at air and sea ports of entry. The dog teams will be used to search aircraft, vessels, air and sea cargo containers and air parcel cargo, but they will not be used for the detection of drugs on people. USCINCPAC is also focusing on marijuana eradication within the State of Hawaii. Active duty military personnel and National Guard troops will be used for eradication efforts on federal land within Hawaii and, if requested, on state property if there will be no direct participation of DoD personnel in searches, seizures or arrests during the eradication efforts.

The U.S. Southern Command (SOUTHCOM) has developed a plan that emphasizes the support and development of host country capabilities. USCINCSO will provide training and operational support, material, advice, and technological and maintenance support to the counternarcotics organizations of cooperating nations.

Cocaine and the precursor chemicals which are required to process cocaine are frequently carried on the vast river networks of South America. A combination of Navy, Marine Corps and Coast Guard trainers and advisors, as requested, will develop the capabilities of host nations to patrol, identify and intercept precursor chemicals and cocaine shipments. U.S. military personnel will not be used in actual operations, either with host nation forces or independently.

To improve the capabilities of U.S. law enforcement agencies to detect and monitor drug traffickers, the Southern Command will partially rely upon a Caribbean Basin Radar Network that consists of a series of early warning radars, some of which are already in place and operational. The radar sites are planned at selected sites in South America, Central America and the Caribbean. Regional operations centers are located in Key West, Florida, and the Republic of Panama. USCINCSO will use data collected from radars and from deployed air and sea surveillance platforms. E-3 AWACS aircraft will be deployed to establish a data base of radar information and to react to individual suspect tracks. This information will be shared with the Atlantic Command and with other nations in an effort to track suspected ships and aircraft. The information will also be given to law enforcement authorities so that appropriate searches, seizures, and arrests can be made.

Interagency Coordination of Interdiction Operations

One of the more challenging aspects of the new counternarcotics responsibilities of the DoD has involved our efforts to coordinate our own missions and responsibilities with the counternarcotics responsibilities of Federal, state and local law enforcement agencies. The coordination of interdiction efforts has been particularly challenging.

As a general proposition, "interdiction" involves several phases, including: detection, sorting (of probable drug trafficers from all other aircraft or surface vessels that have been detected); interception (directing ships or aircraft to the target for identification); tracking and monitoring (following a target until it can be "handed off" to a law enforcement agency); and apprehension, search, seizure, and arrest by a law enforcement agency. Often these phases overlap. Interdiction can take place in the air, at sea, or on land. Thus, interdiction is a multi-phase, multi-environment, and multi-agency activity in which the DoD has significant responsibilities generally, and, as I have noted, specific responsibility as the "lead Federal agency" for the detection and monitoring of the aerial and maritime transit of illegal drugs across our borders.

Considerable progress has been made in recent months in resolving routine coordination problems at both the tactical or operational level and at the policy level. As the departments and agencies gain experience in their joint operational efforts, problems of coordination should continue to decrease.

A new Border Interdiction Committee (BIC) will serve as a forum to facilitate interagency policy coordination. The BIC will be chaired by the Commissioner of Customs (with oversight by the Department of Treasury). The Commandant of the Coast Guard and my Deputy Assistant Secretary of Defense for Drug Enforcement Plans and Support will serve as principal deputies. The BIC will function as a subcommittee of the Office of National Drug Control Policy's Supply Reduction Working Group and will include representation from the Department of State (Bureau of International Narcotics Matters), the Department of Justice (Criminal Division, FBI; Drug Enforcement Administration; and Immigration and Naturalization Service), the Federal Aviation Administration, and the National Security Council staff.

The operational aspects of interdiction are coordinated within the DoD through the Chairman of the Joint Chiefs of Staff and the five Unified and Specified Commanders-in-Chief who have direct or supporting missions in interdiction activities, i.e., USCINCSOUTH, CINCNORAD, USCINCLANT, USCINCPAC, and CINCFOR. Each of the three joint task forces is responsible for coordination with drug law enforcement agencies either directly, or through organizations such as Operation Alliance (an interagency law enforcement effort designed to halt the flow of illegal drugs, firearms, and other contraband across the United States-Mexico border).

Enhanced Use of the National Guard

The FY 1989 Defense Authorization Act authorized the Secretary of Defense to provide a total of $40 million to the Governors of States who submitted proposed plans to the Secretary "specifying how personnel of the National Guard. . . are to be used (in their "state" or Title 32 status) in drug enforcement and interdiction operations." Fifty-four separate state and territorial plans were submitted to the DoD for review and approval during FY 1989. Each proposed plan was reviewed by National Guard Bureau and by the Departments of the Army and Air Force to ensure that they were operationally feasible and that the costing methodology employed by the states was uniform. My office and the other agencies within the Office of the Secretary of Defense reviewed the plans to ensure that each proposed use of National Guard personnel was consistent with the law and with DoD policies. The Attorney General was also consulted regarding the adequacy of each plan as required by law.

Most of the plans were developed by the states on the basis of requests for support from various law enforcement agencies, including Federal and state law enforcement agencies, sheriff's departments, and local police departments. Guidance which was provided to the states emphasized: the role of the National Guard as one of support; the safety of personnel and equipment; operational security; the importance of satisfactory media relationships; the importance to the success of each operation of the sharing of information among participating agencies; and the need to monitor and track operations and funding through established reporting procedures.

Each proposed plan was further reviewed to ensure that the operations would be conducted while the National Guard personnel were in a State status and that the participation by individual Guardsmen would be in addition to their regular annual training for their federal mission. As each plan was approved by the Secretary of Defense, the Governor of the State was immediately informed by the Secretary. The Adjutant General of each State was simultaneously informed by the Chief of the National Guard Bureau.

During FY 1989, more than 1,811 support missions were conducted by some 6,796 National Guard personnel, utilizing some 149,449 mandays of effort. The missions included ground and aerial reconnaissance and surveillance. Photo reconnaissance was typically provided by RF-4C Air National Guard units and OV-1D Army National Guard military intelligence units. Additional tactical intelligence through surveillance of such special targets as border crossing points, abandoned air strips, etc., was provided by Special Forces, Long Range Reconnaissance Patrols, and by other specialized units of the National Guard. The missions also included: the transportation of law enforcement officers, evidence, seized property, and contraband; Air National Guard radar operations to track suspect aircraft; cargo and container searches at seaports, airports, and land border entry points; aircraft, watercraft and motor vehicle searches at law enforcement check points; joint training for National Guard and law enforcement personnel; administrative, intelligence, engineering, communications, and maintenance support to law enforcement agencies; and the loan of specialized military equipment. The missions were usually performed in addition to the regular training activities of the National Guardsmen, but on a case-by-case basis some missions were conducted incidental to regular training or as a by-product of regularly scheduled training.

Some delays did occur in FY 1989 in the execution of the several plans which had been submitted by the states and territories. Most of the delays were predictable and were the result of the fact that this statutory mission was given to the DoD on comparatively short notice and before the Department had developed programs, policies, and review and approval procedures to perform the missions and to allocate the $40 million appropriated for this particular mission.

Seventy million dollars has been appropriated by the Congress for the counternarcotics activities of the National Guard in FY 1990. An additional $40 million has been appropriated for the procurement of equipment to support these activities. The proposed plans that were submitted by the states for FY 1990 were developed and staffed in much of the same manner as the FY 1989 plans, but the new proposals were much better and the approval process was completed much more quickly. All 54 states and territories submitted plans for execution during FY 1990.

As a general proposition, law enforcement agencies at the Federal, state and local levels have been very pleased with the support that has been provided by the National Guard. The challenge for the DoD and for the individual Adjutants General is to continue this excellent support in a way which does not violate the restriction imposed by the FY 1989 legislation that such support "may not be provided" if it will "adversely affect the military preparedness of the United States."

The Command, Control, Communications and Intelligence Mission

It is widely accepted that success in any interdiction effort to attack the supply of illegal drugs depends to a great extent upon the availability of good intelligence. Coordination of the exchange of intelligence between law enforcement agencies and the Armed Forces has predictably involved a clash of operating cultures, but as operating personnel at the tactical level come to understand the capabilities and limitations of their law enforcement or military counterparts, the coordination usually improves quickly. Effective coordination of intelligence and the integration of the various communication systems will, however, continue to be a challenge in the short term.

As I stated in testimony to the Congress last year, the key to the integration of the communications networks of the various law enforcement agencies is secure systems interoperability and commonality which will permit cost effective communications between the regional DoD detection and monitoring activities, the C3I centers, and law enforcement agencies. The Drug Enforcement Telecommunications Implementation Plan which was published by DoD in September, 1989, provides the structure for coordinating the implementation of a standards-driven, interoperable, secure and protected communications capability among the numerous agencies and operational facilities which are involved in drug enforcement activities. The two plans are currently being revised. The revisions will update the telecommunications requirements of the law enforcement agencies and incorporate the existing facilities and requirements of the DoD.

A Counterdrug Telecommunications Integration Office has been established by the Director of the Defense Communications Agency (DCA). The DCA has been designated as the lead agency within the DoD for the implementation of the DoD-funded portion of the Implementation Plan and the communications system that supports the congressionally assigned detection and monitoring function.

A total of $60 million was authorized in FY 1989 and $27 million was authorized in FY 1990 to carry out the Implementation Plan. The DoD is requesting $56 million for FY 1991, which will essentially complete the DoD major procurement portion of the Plan. Using existing contracts, the Counterdrug Office is procuring and loaning communications and communications security equipment to appropriate law enforcement agencies. This central procurement authority promotes interoperability and security in support of drug operations. For FY 1991 and the out-years, the individual agencies will continue these modernization efforts and provide the required operations and maintenance funding for the systems which are acquired.

The acquisition strategy seeks economies of scale through the use of existing contracts and contractual provisions which require equipment and services to support the communications effort. Aggregating requirements under a single contract will yield a lower price, assist field planning prioritization, and ensure that like equipment is acquired to support interoperability needs. To comply with the law, all equipment purchased by the DoD is being loaned to the law enforcement agencies. A Memorandum of Agreement was recently entered into which addresses accountability issues and clarifies the fact that DoD-purchased equipment will be loaned to the LEAs on an other than permanent basis.

The acquisitions are based on identified shortfalls from an interoperability and security standpoint. Unless otherwise stated, all purchases will fulfill validated requirements documented in the Implementation Plan. Detailed information on existing communications capability and networking has been provided in the Master Plan. Most of the networks utilized are multi-use networks, i.e., drug interdiction/enforcement information is one of several categories of information transmitted over these communications systems and subsystems.

Fixed network assets play an important role in our effort. They include several long haul communications facilities currently in use by the Federal Government to transfer voice and data traffic. The initial emphasis is to provide secure or protected telecommunications capabilities for use on the networks.

The National Security Agency is acquiring Secure Telephone Units. Radio networks will provide the capability for effective command and control of mobile and field operations and for real-time interoperability. They also provide the greatest challenge from an interoperability standpoint. The addition of security and protection devices adds a higher degree of complexity to achieving interoperability. To support the acquisition of portable very high frequency (VHF) radios, funds were forwarded to the Federal Bureau of Investigation. This acquisition will provide privacy capabilities to the FBI during counterdrug operations. Participating agencies have agreed to accept the military standard for secure facsimile equipment. This will permit the procurement to proceed via an Air Force contract.

Over-the-Air-Rekeying (OTAR) is a critical step in improving the role of portable radios in the drug interdiction business. The Customs Service has been given funds to support the testing of this technology. OTAR capability will permit the rekeying of radios of agents in the field and eliminate the transmission of sensitive information in the clear.

In order to provide portable super high frequency (SHF) satellite communications terminals, the DCA has signed a contract with VIASAT Corporation. The terminals will use the Pan American satellite and support connectivity between mobile radar sites and Command, Control, Communications, and Intelligence (C3I) Centers in the Caribbean region for Joint Task Force-4. The service is required to be operational 90 days after contract award.

The DoD effort to provide C3I support to the interdiction agencies is thus progressing well, but there is still much to do.

The Attack on Drugs at the Source

In his September 18, 1989, Guidance to the DoD, the Secretary of Defense declared that an effective attack on the flow of illegal drugs depends upon action at every phase of the flow, including action in the countries that are the source of the drugs. The DoD is assisting in the attack on the supply of drugs in source countries through assistance for nation-building, operational support to host-country forces, and cooperation with host-country forces to prevent drug exports. The near-term efforts are focused on the Andean nations from which most cocaine entering the United States originates.

The key objective of the President's actions in the Andean region are to strengthen the political will and the capabilities of the host nations, to increase the effectiveness of counter-cocaine activities, and to inflict significant damage to the operations of trafficking organizations. U.S. military personnel are authorized to accompany host nation forces during authorized training and administrative activities within areas which have been previously designated by the U.S. Military Group Commander in each country and approved by the Commander-in-Chief of the U.S. Southern Command, but they do not accompany host government forces on actual field operations.

The operational support takes various forms, e.g., planning, communications, medical, and logistics support, but U.S. military personnel do not serve as field advisors or replace agents of the

Drug Enforcement Administration on coca eradication operations. None of the countries within the Andean region have asked for U.S. troops and there is no current contemplation by the Department of the use of U.S. Armed Forces personnel in any combat role in those countries. What those countries are asking for, and what we are providing, is training for their police and military personnel, equipment, and operational support. Each request by any Andean country is evaluated on a case-by-case basis.

The activities of U.S. military units in the execution of the DoD counternarcotics missions abroad, including counternarcotics activities in support of U.S. Ambassadors or principal officers and support of host country military forces engaged in anti-drug activities, are coordinated with the Department of State and other Federal agencies, and with the appropriate theater Commander-in-Chief. Within the Andean region, the DoD is providing Mobile Training Teams (MTTs) and planning support to the international counternarcotics effort of the State Department. The MTTs have been sent to the region to provide training in individual and small unit tactics, leadership, and airmobile and riverine operations. Advice is being given on the procurement and architecture of command, control and communications and intelligence facilities. Medical and engineering support and civic action are being provided along with air mobility assets which enhance the capability of the source countries to insert their own counternarcotics forces to remote regions where cocaine is grown, processed or transported.

The DoD has not and does not intend to substitute U.S. programs for those which the host countries must implement for themselves. U.S. military personnel will not replace or augment host country military personnel who are engaged in counternarcotics operations.

On August 25, 1989, the President invoked the provisions of the Foreign Assistance Act of 1961 and authorized the furnishing to Colombia of up to $65 million in military assistance from the stocks of the Department, defense services of the Department, and military education and training. The $65 million has been used to provide equipment and training to the Colombian National Police, the Directorate of Administrative Security, the Army, the Air Force, the Navy and the Marine Corps. The emergency military equipment included aircraft, boats, trucks, spare parts, ammunition, medical supplies, communication gear and other equipment and training, and was provided within 120 days. Each item of material was specifically requested by the Colombian Ministry of Defense and was made available from "off-the-shelf" DoD stocks. Purchases of specialized equipment were not authorized under the program. Several maintenance MTTs were sent to Colombia to assist in the receipt and rapid utilization of the large volume of equipment which was being transferred.

On February 15, 1990, the President did, of course, meet with the Presidents of Bolivia, Colombia, and Peru in Cartagena, Colombia. The four leaders discussed ways to increase cooperation and to strengthen comprehensive anti-drug programs to reduce the production, trafficking, and consumption of illegal drugs. The President joined the President of Colombia, Virgilio Barco, in reaffirming the importance of continuing current programs for training, equipment and administrative support of Colombia's counternarcotics efforts.

Use of Military Correctional Facilities

On July 17, 1989, Secretary Cheney directed the Department to explore alternatives for a more effective use of military correctional facilities, including the possible use of excess capacity to house civilian drug offenders. The Army was appointed Executive Agent and was directed to develop a structure and plan to operate a Consolidated DoD Correctional Program to improve the utilization of existing military correctional facilities, and to adopt procedures which will permit the individual Services to develop plans for restoring offenders to active duty. A joint working group is currently developing option packages for eventual consideration by the Secretary of Defense.

Last fall, I was approached informally with a request by the Bureau of Prisons, and on September 12, 1989, the Attorney General requested formally, that the Bureau of Prisons be given access to portions of certain operating military bases for the construction of federal prisons. On October 27, 1989, and pursuant to that request, the Deputy Secretary of Defense established a Bureau of Prisons Assistance Council within the DoD. The Council was directed to assist the Bureau of Prisons in obtaining prison sites on military properties which are affected by the Base Closure and Realignment Act. A joint working group has been established to process and to coordinate specific requests from the Bureau of Prisons.

On July 7, 1989, Executive Order 12682 was signed by the President establishing a Commission on Alternative Utilization of Military Facilities. The membership of the Commission includes the DoD, the Federal Bureau of Prisons, the National Institute on Drug Abuse, the GSA, the Department of Housing and Urban Development, and the Office of National Drug Control Policy. The Commission has been charged with responsibility to review and report active and inactive military facilities which are underutilized and which would be renovated to serve as security facilities, drug treatment facilities, and facilities to assist the homeless. The DoD chairs the Commission and is providing administrative support as necessary. The Department will screen installations and report its finding to the Commission and the other members of the Commission will determine requirements, develop individual criteria for suitability, and report to the Commission. Eventually, the Commission will prepare a consensus report for the President.

On September 18, 1989, the Secretary of Defense directed the DoD to review the potential for the Department to provide, upon request, temporary overflow facilities to Federal, state, and local authorities for the incarceration of convicted drug offenders. We are currently coordinating a review and inspection of those facilities by the Bureau of Prisons to determine which facilities meet security requirements. A list of recommended facilities which are suitable for prison overflow support is being developed and will be provided to the Secretary of Defense.

Finally, and on a case-by-case basis, the individual Services have authorized the use of military facilities by Federal and state authorities to support correctional needs. The indivdual requests for support are reviewed at the Secretariat level within each Military Department. This initiative is designed to provide installation support-type work by minimum security Federal and state prisoners in exchange for the use of excess facilities.

Reducing Demand within the Armed Forces

The Department of Defense is strongly committed to drug abuse prevention and treatment programs that are designed to ensure the readiness of the Defense community. Substance abuse undermines the readiness of Defense personnel, jeopardizes our high standards of safety, decreases productivity and poses potential national security risks. The DoD substance abuse programs include drug testing, education and treatment.

The most visible and perhaps best known of our substance abuse programs is the urinalysis testing program, which began in limited fashion 1971 when the Military Services implemented programs to identify members of the Armed Forces who are using illegal drugs. The Department's "zero tolerance" policy and more strict random urinalysis testing procedures have been an unqualified success in detecting and deterring the use of illegal drugs. For the past five years, the Services have been testing approximately 3 million specimens per year and even at this rate there have been no false positive reports. Most of the testing is conducted by the nine existing DoD laboratories.

I am pleased to report that the Department has achieved an 82 percent reduction in reported drug use since 1980. The 1988 Worldwide Survey of Substance Abuse and Health Behaviors Among Military Personnel reports a final estimate of 4.8 percent of persons who report using any drugs during the past 30 days, compared to 27 percent in 1980.

Illicit drug use is universally considered to be incompatible with military service and it will not be tolerated within the DoD. The consequences of drug abuse are immediate and readily predictable. In general, it is the policy of the Services that any commissioned or noncommissioned officer who uses illegal drugs will be processed for separation from the Service. In the case of younger enlisted personnel, individuals who test positive for drug abuse but who demonstrate potential for further useful service, will be offered rehabilitation and counseling. All others will be processed for separation. The use of illegal drugs on a second occasion will usually result in the initiation of a discharge proceeding.

The nonresidential and residential rehabilitation treatment programs of the Military Services are available to eligible

Service personnel with substance abuse problems and to family members who have such problems on a limited basis. Residential rehabilitation services are provided on a 24-hour, live-in basis for personnel who have been diagnosed as dependent on drugs. Nonresidential rehabilitation services are provided on a non-live-in basis for those who abuse drugs. The majority of the drug treatment activities in the Services are performed in nonresidential facilities.

In addition to the testing and treatment programs, DoD's prevention efforts include mandatory drug education and training for all DoD personnel at key career points. Emphasis is placed on prevention policy and effective measures to alleviate problems associated with drug use. Additionally, the American Forces Information Service conducts the general information component of the drug abuse prevention program through the use of the mass media, e.g., public service announcements on Armed Forces Radio and Television, editorial coverage through Press Pack, posters through Defense Billboard, and the dissemination of pamphlets. Over 175 drug and alcohol audiovisuals and numerous pamphlets and films are available for use within the Services and DoD.

The Department has begun a major effort to extend the drug testing program to our civilian workforce of over one million persons. The Department of the Army has been testing its civilian workforce since 1986. The Office of the Secretary of Defense and the Chairman of the Joint Chiefs of Staff have been testing civilian personnel since April 1989. The majority of the remaining DoD components have begun limited testing.

The Department of Defense has also instituted a requirement for the initiation and maintenance of flexible, contractor-developed programs for the prevention, detection and treatment of drug abuse by employees whose duties involve access to classified information or the production of critical items of military equipment. These programs include employee education, supervisory training and drug testing. This DoD interim requirement became effective on October 31, 1988. The policy applies to all contracts which involve access to classified information and which are to be performed within the United States. Contracts pertaining to national security, or to the protection of the health or safety of those using or affected by a product or performance of the contract must also comply with the requirement. This policy should not be confused with the government-wide requirement that all contracts over $25,000 which involve work to be performed in the United States, or all grantees receiving Federal funding, must have a drug-free workplace policy. The government-wide policy does not require testing at this time.

I am particularly proud of the Department's efforts to educate over 190,000 DoD dependent children on the dangers of drug abuse. Several new programs have been initiated to inform the children about those dangers. A new education program modeled after D.A.R.E. (Drug Abuse Resistance Education), a joint project of the Los Angeles Police Department and the Los Angeles Unified School District, is being energetically implemented in the DoD schools. I was very pleased to see this program first hand during my recent visit to Mark Twain Elementary School at the Headquarters of U.S. Army, Europe, Heidelberg, West Germany. The program uses military policemen as instructors and role models for drug abuse courses in elementary and middle schools. In addition to the D.A.R.E. program, all DoD schools are participating in the nationwide Federal campaign to ensure that DoD schools are drug-free. The Federal campaign includes pledge programs and educational materials for all participating schools.

Other Recent DoD Initiatives

On January 22, 1990, the Secretary of Defense approved five additional initiatives designed to broaden the DoD support of the National Drug Control Strategy.

The first initiative will involve the detail of up to 275 military personnel to Federal drug law enforcement agencies and the Office of National Drug Control Policy (ONDCP) to perform liaison, training, and planning functions as appropriate and to assist in the implementation of the National Drug Control Strategy and the Guidance of the Secretary of Defense for the implementation of that strategy. The personnel will be assigned on a non-reimbursable basis, consistent with the constraints of and exceptions to the Economy Act. We are currently working to refine duty descriptions o that the individuals may be expeditiously assigned.

The second initiative authorized military personnel to provide specialized training for future supervisory personnel in state and local rehabilitation-oriented training camps for first time drug offenders. This training is being made available to Federal, state and local agencies. The first of the programs began on January 29, 1990, at the U.S. Marine Corps Base, Quantico, Virginia, with personnel from the Department of Corrections, State of Maryland. The training of this first group was completed on February 16, 1990. We have invited representatives of ONDCP and the Department of Justice to observe the training to determine whether or not the training may have wider applicability.

The third initiatives authorized the Department and its operational units to expand programs for training drug law enforcement agency personnel in languages, planning skills, logistics, communications, tactics, equipment operation and maintenance, and intelligence. We are currently working with several agencies to review their needs.

A fourth initiative directed an expansion of the use of military working dogs and handlers to support the inspections by drug law enforcement agencies of cargo arriving in the United States by aerial and maritime transportation. Preparation for the full implementation of this initiative is continuing. Interim guidance has been provided and working dogs and handlers are assisting today at ports of entry.

The fifth initiative directed the establishment of four regional logistical support offices to coordinate the responses of the DoD to the requests of Federal, state and local drug law enforcement agencies for non-operational (e.g., equipment) support. The offices will be established in Buffalo, New York; Miami, Florida; El Paso, Texas; and Long Beach, California. The Long Beach office will also have a small detachment in Hawaii. Preparation for the commencement of this initiative, including the assignment of appropriate personnel and the completion of appropriate training and orientation for those personnel, is continuing.

Plans and Budget for the DoD Counternarcotics Program

Soon after Secretary Cheney asked me to assume responsibility as the Coordinator of the DoD Counternarcotics Program, it became apparent that a significant misunderstanding had occurred in connection with the last defense budget that President Reagan had submitted in January 1989. That budget identified the total funding that was to be applied by the Department in FY 1990 in support of its Counternarcotics Program, but it did not identify the amounts which were to be directed to the support of specific activities. As a consequence, and as I learned during the course of certain hearings during the summer of 1989 and in private meetings with various members of Congress and the professional staff, many people had assumed -- incorrectly -- that the Department did not really intend to support its Counternarcotics Program to the extent claimed.

Pursuant to the designation by the Secretary of Defense of the DoD Counternarcotics Program as a top priority of the Department, and in order to avoid similar misunderstandings in the future, several steps have been taken to give my office greater management control over the Program. All individual DoD counternarcotics programs, with the exception of DIA and NSA programs and military personnel accounts, have been transferred from Service and Agency accounts to a consolidated central account that will be managed by my office beginning in FY 1991.

Starting with the FY 1992-1997 program, and after consultation with the Secretaries of the Military Departments, the Chairman of the Joint Chiefs of Staff, and the Directors of the Defense Agencies, I will submit a plan and program for the DoD counternarcotics activities. The plan will establish DoD counternarcotics objectives and define an outyear strategy for achieving those objectives consistent with the Secretary's guidance of September 18, 1989, and the President's National Drug Control Strategy. Further, the plan will complement the efforts of U.S. intelligence and law enforcement organizations and cooperating foreign countries. I will receive separate fiscal guid- from the Secretary for use in developing the DoD Counternarcotics Program. I will also prepare the DoD Counternarcotics Budget. The Counternarcotics Budget will continue to be executed by the Military Departments, the Defense agencies, and the other DoD components, as appropriate. This centralized management of the

Counternarcotics Program will facilitate the planning, coordination, and oversight of DoD's numerous counternarcotics activities.

The budget for the Department's Counternarcotics Program in FY 1991 clearly reflects the priority that has been assigned to the Program by the President and the Secretary of Defense. In FY 1989, Congress appropriated $300 million to the DoD for the performance of the three new statutory missions. The law authorized the Department to spend $40 million for the enhanced use of the National Guard. On February 15, 1989, the Department notified Congress of its plan to allocate $60 million of the remaining $260 million to support the integration of C3I systems and to direct the final $200 million to the performance of the Detection and Monitoring mission. Since the legislation had directed the funds into military personnel and operations/ maintenance (O&M) accounts, reprogramming requests were submitted to Congress to obtain authority for the procurement of equipment needed to perform the missions. The reprogramming was approved on August 8, 1989.

For FY 1990, the President requested, and Congress appropriated to the DoD, a counternarcotics budget of $450 million. Some $110 million will be directed this year to the support of the National Guard pursuant to the plans submitted by the individual states and approved by the Secretary of Defense. Of that amount, $40 million will be directed to the procurement of equipment for the National Guard. A total of $213.7 million will support the Department's Detection and Monitoring mission and $27 million will be applied to the support of the integration of C3I systems. The remaining $99.3 million will be applied to other specific programs as directed by Congress, including (1) $40 million for other procurement by the Air Force in connection with the

Caribbean Basin Radar Network; (2) $15.8 million for other procurement by the Army for the improvement of intelligence management and other C3I systems; (3) $40 million for non-reimbursable support to Federal law enforcement agencies; (4) $2.5 million for transfer to the Department of Treasury for classified programs; and (5) $1 million for the Civil Air Patrol.

The high priority given to the counternarcotics missions by the Department is further reflected in our request to reprogram $165.4 million from non-drug related sources for additional support of the Detection and Monitoring mission. When the funds which have been dedicated by the Department for its own demand reduction program and for routine operational support (aircraft flying hours/ships steaming days) of the law enforcement agencies are included, the total FY 1990 DoD funding for the Counternarcotics Program will be $877.6 million.

The DoD budget which has been submitted by the President for FY 1991 seeks a total of $1.2 billion. Of that amount, $81 million will be used to support the National Guard plans submitted by the states, including expanded support of interdiction efforts on the Southwest border and the recently designated High-Intensity Drug Trafficking Areas. Some $5 million of the amount directed to the National Guard will be used for the purchase of communications, sensors and direction finding equipment.

The funding request for the integration of communications networks and the enhancement of the operational effectiveness of law enforcement interagency communications, is $56.0 million. This will include the completion of procurement for the implementation of a standards-driven, inter-operable, secure/protected communications capability linking the numerous agencies and support activities. As noted earlier, purchase of various types of communications equipment will be made to meet the requirements specified in the National Telecommunications Master Plan for Drug Enforcement, including VHF, UHF, HF, and satellite communications equipment. Additional secure telecommunications unit sets (STU-IIIs) will be purchased as mission requirements dictate. In FY 1990 and FY 1991, the emphasis will continue to be upon critical interdiction and border control functions along the entire Southern border, especially the Southwest land border, and upon the application of the National Strategy in support of evolving state and local requirements.

The FY 1991 Detection and Monitoring Program also builds upon initiatives which were begun in FY 1989 and FY 1990. A total of $984.9 million dollars will be assigned to the support of this program to provide improved command, control, and communications; intelligence upgrades; and increased tempo of operations (OPTEMPO) dedicated to counternarcotics activities, including enhanced counternarcotics initiatives by certain unified and specified commanders-in-chief (CINCs); and other activities in support of the counternarcotics mission. The FY 1991 DoD budget will substantially increase the Department's fiscal, OPTEMPO and capital investment efforts. The level of OPTEMPO, which includes support for aircraft flying hours and ships steaming days, will increase from $181.4 million in FY 1990, to $227.2 million in FY 1991. The procurement of two additional land based aerostats and one system spare radar bag is included in our plan, which also includes $242.8 million for the procurement of a sector of the Over-the-Horizon Backscatter radar to be used in our detection efforts.

Figures I and II reflect a comparative breakdown of the funding levels for the DoD Counternarcotics Program over the period FY 1989 - FY 1991.

Financial Summary

(Dollars in Millions—Budget Authority)

	FY89 Actual	FY90 Estimated	FY91 Proposed
SUPPORT TO INTERDICTION			
C3I Integration	59.9	27.00	56.0
Detection & Monitoring			
RDT&E		10.4	20.3
Program	197.4	200.0	617.4
National Guard Activities (In State Status)			
Program	27.6	70.0	81.0
Congressionally Directed (Procurement)		40.0	
Other Congressionally Directed			
CBRN		40.0	
Southcom C3I		15.8	
Support to LEAs (Non-Reimbursable)		40.0	
Civil Air Patrol		1.0	
Treasury (Classified)		2.5	
INTERDICTION APPROPRIATIONS SUMMARY	284.9 [300.0]	446.7 [450.0]	774.7
DOD INTERDICTION ADDS DEDICATED BASELINES			
Optempo (Flying hours/steaming hours)	71.8	161.4	227.2
Restored Detection & Monitoring		72.3	
Expanded CINC Operations		93.1	120.0
DEMAND REDUCTION (DEDICATED BASELINES)			
Prevention	69.7	72.5	74.6
Treatment	12.4	11.6	11.4
TOTAL DOD COMMITMENT	438.8	877.6	1,207.9

FIGURE I

DOD Counternarcotics Activities
FY 1989 through FY 1991
($ in millions)

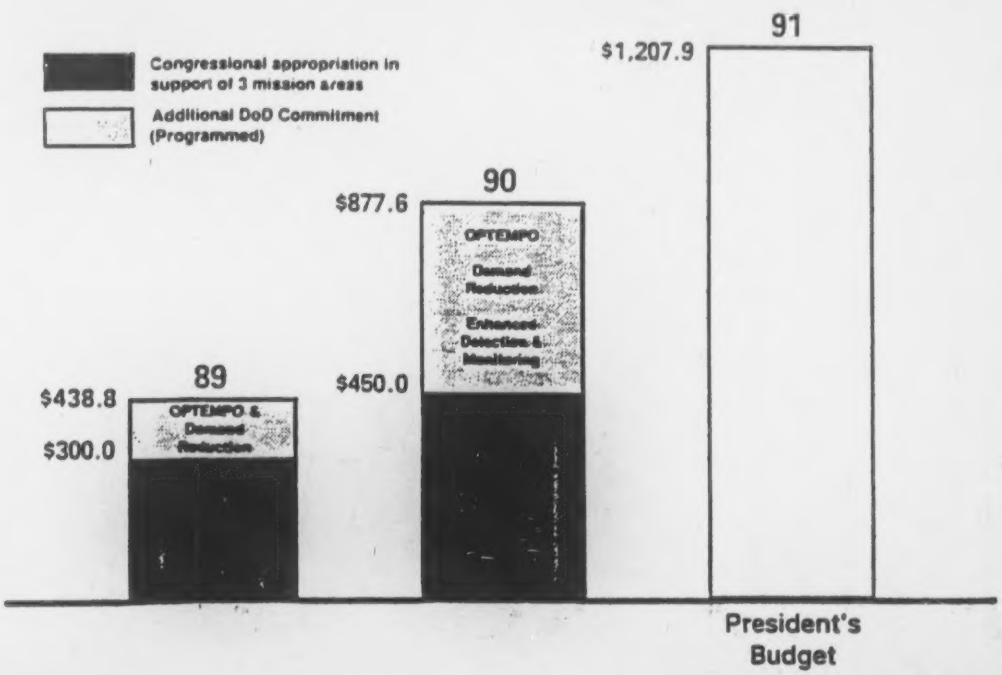

FIGURE II

Measuring Performance

Given the substantial efforts and resources which are being directed by the DoD to the fight against illegal drugs, it is important that we monitor our performance. It is equally important, however, that the Department's performance be judged by appropriate standards.

There is no simple solution to the problem of drug abuse in our Nation, nor is there any quick fix. The fundamental principle of the National Drug Control Strategy is to make drugs undesirable and difficult to obtain through a mix of supply and demand policies, and that mission can be accomplished only by using all of the drug reduction tools at hand, including criminal justice systems; drug treatment programs; prevention activities in our schools, businesses, and communities; international efforts aimed at the drug source countries; interdiction strategies to stymie smuggling operations; and a variety of our intelligence and research resources. The President's Strategy sets as a Ten-Year Objective, a 50 percent reduction in the overall drug use by Americans. The Secretary of Defense has noted that the nation will ultimately be rid of the scourge of illegal drugs only through the sustained application of the energy, courage, and determination of the American people.

It has thus been rightly observed that interdiction efforts alone cannot prevent all drug smuggling, nor is that the purpose of those efforts. Rather, and as the 1990 National Drug Control Strategy notes, "interdiction focuses on intercepting drug smugglers and their shipments, so that their trafficking operations can be consistently disrupted." Over time, the employment of appropriate elements of the Armed Forces in interdiction activities should help to complicate the logistical difficulties of drug traffickers, increase the costs and risks of their smuggling activities, and reduce the flow of illegal drugs across our border. In this way, we can buy time until education and other demand reduction efforts have an opportunity to take full effect. Moreover, while DoD activities overseas, along the border and within the states work primarily to reduce supply, they can also have, in the words of the National Drug Control Strategy, "an important, radiating effect on demand, as well, because they make the purchase of certain imported drugs more difficult -- and therefore less likely."

It must also be remembered that interdiction involves more than the efforts and resources of the Department of Defense. While the DoD is the lead Federal agency for the detection and monitoring of the aerial and maritime transit of illegal drugs, interdiction also involves sorting; interception; tracking and "hand off" of the suspected traffickers from DoD to the appropriate law enforcement agency; and apprehension. The provisions of the Posse Comitatus statute place strict limitations on the authority of the Armed Forces to make arrests and to conduct searches and seizures. And while the Armed Forces of the United States will be actively involved in the support of law enforcement agencies, the DoD will not become a law enforcement agency. Consequently, the DoD plays a very important role, but a limited role in the overall fight against illegal drugs.

For these reasons, it is inappropriate and unreasonable to judge the performance or productivity of the DoD by such artificial "body count" type standards and statistics as the price of coca leaf at an Andean market, the street price of cocaine in a particular U.S. city, the number of arrests made during a particular period of time, the number of pounds of marijuana confiscated or destroyed, or by similar measures. An increase in drug seizures on land in the U.S. might suggest that the DoD has significantly improved its detection and monitoring capabilities at sea, but the increase might also be due to the improved capabilities of one or more of the law enforcement agencies which are involved in the interdiction activities, a sharp jump in the domestic supply, or other factors. Because the national drug problem is so pervasive and complex, it is very difficult to measure with accuracy the actual effect on the drug market of interdiction or any other specific anti-drug initiative.

This is not to say that the efforts of the DoD should not be evaluated, merely that they should be evaluated by a realistic standard. It was noted in the September 5, 1989, National Drug Control Strategy, for example, that our nation's stepped-up interdiction efforts have already forced drug traffickers to make significant operational adjustments by changing their trafficking routes from the eastern coast of Florida - first toward the Bahamas, and then, more recently, to Mexico, where drug cargos are being carried across our land border. This development is one fair measure of progress. The fact that a certain large shipment of illegal drugs was not flown across the eastern coast of Florida because a plane that was scheduled to transport the drugs did not take off because of the fear of the trafficker that the plane would be detected by the Armed Forces of the United States and apprehended by U.S. law enforcement agencies, is also a clear success! That success is real, even if it is less tangible than a confiscation of illegal drugs. The Department of Defense should thus be judged in terms of its ability to perform the specific and important, but limited, missions that have been assigned to the Department, i.e., by the quality of its support of law enforcement agencies and the other parts of the Government in the implementation of the National Drug Control Strategy.

Conclusion

In the opening passages of his important study of civil-military relations, The Soldier and the State, Professor Samuel P. Huntington, asserts that the military institutions of any society are shaped by two forces:

> "a functional imperative stemming from the threats to the society's security and a societal imperative arising from the social forces, ideologies, and institutions dominant within the society. Military institutions which reflect only social values may be incapable of performing effectively their military function. On the other hand, it may be impossible to contain within society military institutions shaped purely by functional imperatives."

The British scholar General Sir John Hackett is more succinct: "The function of the profession of arms is the ordered application of force in the resolution of a social problem."

In assigning major responsibilities in the fight against illegal drugs to the Armed Forces, the political leadership of our nation has taken steps to ensure that our own military institutions reflect both functional and social imperatives. First, the policy of using military resources to assist in the restriction of the flow of illegal drugs across our border is responsive to the public desire to employ the Armed Forces in the attack against what the President has described as "this nation's number one concern." Second, the policy is consistent with the definition by the Secretary of Defense of the supply of illicit drugs to the United States and the associated violence and international stability as a "direct threat to the sovereignty and security of the country." Our challenge is to ensure that the political purpose for which military force and resources are being used is clear, and to remember that military force is an important component, but not the only component of the total national power which is being applied to eliminate the scourge of illegal drugs.

I am pleased to report that much has been accomplished in recent months by the Department of Defense in the improvement of its performance of the three statutory counternarcotics missions and in its efforts to find other ways to effectively implement the President's National Drug Control Strategy. While much hard work lies ahead, I have no doubt that Secretary Cheney's policy guidance to the Department is understood and that the uniformed Services are energetically seeking to perform the counternarcotics missions. The men and women of America's Armed Forces will continue to be an important part of the national effort to secure for all Americans, a drug-free America.

Mr. Chairman, this completes my statement. Please accept my thanks once again for the privilege of appearing before the Committee.

JOINT CHIEFS OF STAFF

STATEMENT OF MAJ. GEN. WALTER E. WEBB, USAF, VICE DIRECTOR, J-3 (OPERATIONS), OFFICE OF THE JOINT CHIEFS OF STAFF

STATEMENT SUMMARIZED

Senator INOUYE. May I now call on General Webb.

General WEBB. Thank you, sir.

I would say that I am pleased to be here today to represent the Joint Staff in the link between our operational CINC's in the field and the gentlemen represented here today, who are the commanders of the joint task forces.

The Secretary of Defense has charged the Chairman of the Joint Chiefs of Staff with the responsibility for developing the necessary counternarcotics plans and operations. The Chairman is further charged with defining organizational responsibilities for implementing the lead agency mission for detection and monitoring of aerial and maritime transit of illegal drugs into the United States.

The Secretary of Defense also designated five Commanders in Chief to support the detection and monitoring operations and the Chairman oversees those operations. Three of the CINC's are represented here by the joint task force commanders—CINCLANT, CINCPAC, and CINCFOR. However, CINCNORAD and CINCSOUTH are also conducting significant counternarcotics operations with their theater forces.

Both of these CINC's believe the counternarcotics mission is well suited to their unique capabilities, since it is aligned with the air sovereignty mission of NORAD and the security assistance mission of CINCSOUTH.

The Joint Staff and the CINC's continue to enhance our detection and monitoring efforts and are pursuing ways to make more effective our participation in the national war on drugs.

The joint task force commanders will discuss their individual roles and major objectives in the counternarcotics mission.

Thank you, Mr. Chairman, for the opportunity to be here and to address your Committee today.

Senator INOUYE. Thank you, sir.

[The statement follows:]

STATEMENT OF GENERAL WALTER E. WEBB

Thank you Mr. Chairman, I am pleased to discuss the operational role that the Joint Staff plays in our nation's counternarcotics efforts. Today my remarks will consist of a short overview of the Joint Staff role and the link between the Joint Staff role and the link between the Joint Staff and the operational CINCs.

The Secretary of Defense has charged the Chairman of the Joint Chiefs of Staff with the responsibility for developing the necessary counternarcotics plans and overseeing operations. The Chairman is further charged with defining organizational responsibilities for implementing the lead agency mission for detection and monitoring of the aerial and maritime transit of illegal drugs into the United States. The Secretary of Defense also designated five Commanders in Chief to support the detection and monitoring operations and the Chairman oversees those operations. Three of the CINCs are represented here by Joint Task Force Commanders of USCINCLANT, USCINCPAC, and CINCFOR. However, CINCNORAD and USCINCSOUTH are also conducting significant counternarcotic operations with their forces. Both of these CINCs believe the counternarcotics mission is well suited to their unique capabilities since it is aligned with the air sovreignty mission of NORAD and the security assistance mission of CINCSOUTH.

The Joint Staff and the CINCs continue to enhance our detection and monitoring efforts and are pursuing ways to make more effective our participation in the national war on drugs. The Joint Task Force Commanders will discuss their individual roles and major objectives in the counternarcotics mission next. Thank you Mr. Chairman, for the opportunity to address your committee.

JOINT TASK FORCE NO. 4

STATEMENT OF VICE ADM. JAMES C. IRWIN, U.S. COAST GUARD, COMMANDER, JOINT TASK FORCE NO. 4

SYNOPSIS OF STATEMENT

Senator **INOUYE**. May I now call on the Commander of the Joint Task Force No. 4, Vice Admiral Irwin.

Admiral **IRWIN**. Good morning, Mr. Chairman.

I also have a prepared statement that I would like to submit for the record. But I have a few informal remarks that I would like to give at this time.

Senator **INOUYE**. Please proceed, sir.

Admiral **IRWIN**. Mr. Chairman, just about a year ago this time I appeared before several committees of Congress on the startup of Joint Task Force No. 4, and at that time I remarked that I thought that the legislation that you all had enacted, making DOD the single lead agency responsible for detection and monitoring, was, indeed, very historic.

I would say, based on what has transpired this past year, that I believe that, indeed, was a good decision.

Last time I was here, we had about one-half of our people. They were temporary additional duty people. We were lacking in communications and computers that we needed for our intelligence capabilities. We were really just kind of getting started.

But today, I am very pleased to say that we are up to complement, all permanently assigned people. I think we are really in very good shape. There is really nothing that I need at this time. My boss, Admiral Kelso, Commander in Chief Atlantic, and the Department of Defense have really seen to that.

COMMUNICATIONS

I am very proud of the staff of people that I have. They are extremely capable. We are tied in to all the national and DOD law enforcement intelligence sources. We have an enormous number of detection and monitoring assets, particularly from the Department of Defense, working for us and also assistants from the law enforcement agencies on occasion.

Our communications are outstanding. We have a very wide area which we cover and we can just talk to anybody securely when we have the need to.

A year ago, I said that we were going to have to learn to walk before we could run. Well, at this time, I would like to say that we are now running, and I think we are running at full speed.

Back in the period, I would say from April to October, we were getting started, and what we were doing at that time was mainly providing some DOD assets by way of ships and planes to the law enforcement agencies that could assist them in conducting their operations.

INTELLIGENCE

Starting on October 1, though, there was quite a change in our way of doing business. It was at that time that we felt we were really up to speed, that our intelligence was starting to come in, and the Department of Defense committed a large number of assets.

We had felt that intelligence was the key to solving the drug problem, and for us, it is tactical, time-sensitive intelligence. If you are going to take advantage of that intelligence, you have to have assets, ships and planes, stationed in strategic places, to be able to move, really on a moment's notice, to take advantage of that intelligence.

That is what Admiral Kelso did. He provided us with the assets to have in position. We also had assistance and dedication from the law enforcement agencies to provide assets for that.

We have been doing that since October, and it has been working.

We have also effectively in this past year integrated into the antidrug C^{3}I net. The net itself is almost complete throughout the United States. We are connected to all the key commands that we need to be.

This net is a very powerful net. It is secure, and we use it to provide up-to-date tactical intelligence to all the DOD commands and law enforcement agencies.

I think it is going to be particularly helpful to the law enforcement agencies because it will provide an up-to-date picture for them that will enable them to position their intercept and apprehension assets in the right place to take over those targets that we are able to detect.

We have had to work very hard on coordinating the detection and monitoring efforts of other agencies. By this I mean the Customs Service and also the Coast Guard. I understand why that is.

They have been involved in this business a long time. They have a lot of their own resources, their own intelligence, and they have done a very good job. I think there was some reluctance on their part for a "new kid on the block" to come in and try to coordinate what they were doing.

But we work hard at that. I think that we have come a long way. We are constantly in touch with them every day, many times a day. Our duty officers are talking. They are exchanging intelligence and everybody tries to arrive at what they believe is the best utilization of forces for the next 24 hours.

We are not perfect, but we have come an awfully long way.

PAST ACCOMPLISHMENTS

It is difficult, I think, to assess past accomplishments because nobody, to my knowledge, has come up with a way to adequately measure effectiveness in drug interdiction. It would also be difficult for me to say what a good job Joint Task Force No. 4 has done because you can't do that. You have to look at Joint Task Force No. 4, Coast Guard and Customs, if you will, all rolled into one, because we are continually sharing our resources and our intelligence. You just cannot say that one is doing it. It is everybody.

But I can say that, in my opinion, we—speaking collectively—have had good success in the last 6 months. In my opinion, the amount of cocaine that is finding its way north through Colombia, through the Caribbean, has been greatly reduced, particularly in the air. The number of air drops today are way down, and the number of ones that are successful of those that are tried are very, very few.

PROBLEM AREAS

Our problems are almost nonexistent, at least I would say my problems are almost nonexistent. We do need to work at coordinating and doing a better job, if we can, with the law enforcement agencies, particularly when it comes to the use of early warning aircraft. These are a very expensive, scarce, and capable asset, and they do need to be very carefully used to get the most effective use out of them.

My requirements are almost nonexistent. I have been well taken care of. Everything I need, as far as I can tell, is budgeted for.

I did say a year ago that I would guarantee you that, if we were given a little time, it was my opinion that Joint Task Force No. 4 would make a significant impact on interdiction. I believe today that I can say Joint Task Force No. 4 is making an impact.

Thank you, Mr. Chairman.]

Senator INOUYE. Thank you very much, sir.

[The statement follows:]

STATEMENT OF ADMIRAL JAMES C. IRWIN

Mr. Chairman, it is indeed a pleasure to appear before your Committee. It was almost one year ago that I first testified as Commander, Joint Task Force Four. At that time, I remarked that I thought your legislation was historic in assigning to DOD the role as the single lead agency for the detection and monitoring of aerial and maritime trafficking in drugs destined for the United States. Based upon what has transpired this past year, I believe you made a good decision.

In April 1989, I had less than half my complement of personnel and most of them were on temporary duty. We were still short many of the computers we would need for intelligence purposes and communications equipment. Over the ensuing months things began to change at a rapid pace. I am now pleased to report that except for a few billets we are up to complement and with permanently assigned people. We are in good shape. There really is nothing I need at this time. My boss, Admiral Frank Kelso, and the Department of Defense have seen to that. I am tremendously proud of my staff and our capabilities. We are tied into all national, Defense and Law Enforcement intelligence sources. The number of detection and monitoring assets working for and with us is enormous. Our lines of communication are outstanding, enabling us to communicate throughout our vast area of operations. Mr. Chairman, a year ago I said we would have to learn to walk before we could run. I am pleased to report we are now running and at full speed.

Mr. Chairman, today I would like to focus on five general areas... (1) our mission, (2) past accomplishments, (3) future plans, (4) problem areas, and (5) support requirements.

Our mission is three fold: conduct operations to detect and monitor aircraft and surface vessels suspected of smuggling illegal drugs into the United States utilizing assets as assigned by DOD and other agencies. Effectively integrate into the anti-drug C3I network in order to provide timely intelligence and operational data on ongoing cases. Coordinate detection and monitoring activities of other federal agencies.

I will discuss past accomplishments as they relate to our mission. From April to October we essentially provided additional DOD detection and monitoring assets to ongoing Law Enforcment Operations. On 1 October there was a quantum increase in the number of DOD assets made available. That is when we really commenced our own operations. We believed in the beginning, and still do, that intelligence is the key to success in drug interdiction. In our case, it is tactical, time sensitive intelligence. To take advantage of this intelligence it is necessary to have assets (ships and planes) strategically located throughout the area of operations, ready to act on a moments notice. Admiral Kelso, along with the Law Enforcement Agencies, made these resources available. We have been operating them this way on a daily basis, sometimes around the clock.

Our effective integration into the anti-drug C3I network is completed. The network itself is well on its way to completion. It is a computer assisted graphic display system which is linked together and is referred to as the Anti-Drug Net. By January of this year we were connected to all the key commands. We use this net to provide an up-to-date tactical intelligence picture to DOD commands and the Law Enforcement Agencies. It is particularly useful in providing the latter with near real time tactical information to enable them to position their intercept and apprehension assets.

Coordinating the detection and monitoring operations of other agencies (U.S. Coast Guard and U.S. Customs Service) has been a time consuming process, especially initially. When Congress established the Department of Defense as the single lead agency for the detection and monitoring it did not take away these missions from Coast Guard or Customs. They retained their responsibility for interdiction, which includes roles in detection and monitoring. It was understandable that these proud services would be reluctant to be coordinated by an outside source. For years they each had their own intelligence and assets and had conducted their own operations. When we, the Department of Defense, first arrived on the scene we had little in the way of intelligence or assets. It was not until late in 1989 that our capabilities began assuming respectability in the eyes of the Law Enforcement Agencies. We work very hard at coordination to ensure that the most effective use is made of all detection and monitoring assets. We are constantly in touch with Coast Guard and Customs from the beginning to the end of each interdiction case. Each day all of our duty officers discuss which is the best way to use our respective assets for the next 24 hours based on the current tactical intelligence. While coordination may still not be perfect, standard procedures have now been established and day in and day out it is very effective. We have made great progress this year with regards to coordination of Department of Defense and Law Enforcement detection and monitoring assets.

Mr. Chairman, it is difficult to assess past operational accomplishments for no one yet has found a way to reliably measure effectiveness. It would also be difficult to speak of past operational accomplishments in terms of just JTF-4. I say this because our intelligence, assets and operations are deeply entwined with those of the Law Enforcement Agencies. I can, however, state that I believe collectively speaking, for the past six months, we have made inroads into the amount of cocaine departing Colombia north through the Caribbean area, especially in the air. The number of attempted air drops is down and of those very few have been successful.

Mr. Chairman, I would like to limit my discussion about future plans in an effort to avoid providing our adversaries with any knowledge of our intentions. I will say this; we do have future plans that seek to build upon what we have already started. These plans currently are being coordinated by the Joint Chiefs of Staff. I will be happy to go into these in closed session if you so desire.

Our problems are almost non-existent. We do need to continue to work on coordination with the Law Enforcement Agencies, especially regards the employment of their AEW assets. This is due, in part, to the fact that AEW aircraft are highly capable, very expensive and scarce detection and monitoring assets. I believe there is a growing recognition regarding the need to concentrate these assets to maximize their effectiveness. I indicated earlier that our communications are outstanding. That does not mean they are perfect. We still have some units that need improvement in their ability to communicate securely. These have been identified. The offices of the Secretary of Defense and the Joint Chiefs of Staff are working with us to correct this as soon as possible.

Our support requirements are also almost non-existent. We have been taken care of very well such that there is hardly a thing I can think of that we need that is not budgeted. We are looking forward to receiving two Army SASS ships which were funded in the FY 89 and FY 90 budgets. These are extremely capable assets. I believe it would be good to fund more in future years.

Mr. Chairman, last year I guaranteed that, if given a little time, JTF-4 would make a significant impact on the drug interdiction problem. We have now had a little time, and I am pleased to say that we are having an impact.

Thank you Mr. Chairman, I will now be pleased to answer any questions.

JOINT TASK FORCE NO. 5

STATEMENT OF REAR ADM. WILLIAM P. LEAHY, USCG, COMMANDER, JOINT TASK FORCE NO. 5

PREPARED STATEMENT

Senator **INOUYE**. May I now call on the Commander of JTF No. 5, Rear Admiral Leahy.

Admiral **LEAHY**. Good morning, Mr. Chairman and members of the committee. It is a pleasure for me to be here today to testify.

I have also submitted a statement for the record. I really don't have any oral comments. I think I would be very much repetitive of what Vice Admiral Irwin has stated earlier. I am certainly available to answer any questions that you have, sir.

Senator **INOUYE**. Thank you, Admiral.

[The statement follows:]

STATEMENT OF ADMIRAL WILLIAM LEAHY

THANK YOU, MR. CHAIRMAN. I AM PLEASED TO BE HERE TODAY TO DISCUSS THE ROLE JOINT TASK FORCE (JTF) 5 PLAYS IN OUR NATION'S COUNTERNARCOTICS EFFORTS. AS YOU KNOW, THE PRESIDENT, IN DECLARING HIS NATIONAL WAR ON DRUGS, HAS DECLARED THAT THE DEPARTMENT OF DEFENSE'S NUMBER ONE PEACETIME PRIORITY IS OUR COUNTERNARCOTICS PROGRAM. THIS PRIORITY WAS FURTHER AFFIRMED BY THE SECRETARY OF DEFENSE IN HIS 1989 IMPLEMENTING INSTRUCTIONS TO THE FIELD, AND WAS FORMALLY RECOGNIZED BY THE CONGRESS, IN PASSING THE FY 1989 DEFENSE AUTHORIZATION ACT. THAT ACT, FOR THE FIRST TIME, ASSIGNED THE DEPARTMENT OF DEFENSE LEAD AGENCY, FEDERAL RESPONSIBILITY, FOR THE DETECTION AND MONITORING OF AERIAL AND MARITIME ILLEGAL DRUG SHIPMENTS TO THE UNITED STATES. AS COMMANDER OF JOINT TASK FORCE 5, I DERIVE MY COUNTERNARCOTICS MISSION AND RESOURCES FROM THE COMMANDER IN CHIEF, U.S. PACIFIC COMMAND, ADMIRAL HARDISTY, AND THE SECRETARY OF DEFENSE.

FIRST, I WILL ADDRESS THE THREAT AND HOW IT AFFECTS OUR OPERATIONS IN THE VAST EXPANSE OF THE PACIFIC. THEN I WOULD LIKE TO PROVIDE A BRIEF OVERVIEW OF HOW MY COMMAND IS ORGANIZED TO MEET THE COUNTERNARCOTICS CHALLENGE. I WILL CONCLUDE WITH AN IN-PROGRESS REPORT ON OUR MISSION.

THE PRIMARY PATH OF ILLEGAL NARCOTICS, ORIGINATING IN THE PACIFIC, ARRIVES IN THE UNITED STATES AFTER A LENGTHY AND OFTEN CIRCUITOUS ROUTE FROM NUMEROUS EMBARKATION POINTS IN ASIA. WITH SUCH A HUGE GEOGRAPHIC EXPANSE TO WORK WITH, THE PRIMARY CONSTRAINTS OF THE PACIFIC SMUGGLER ARE CLASSIC TRANSPORTATION AND PACKAGING CONCERNS. HOW BEST TO TRANSPORT LARGE (OR SMALL) HIGHLY PROFITABLE DRUG SHIPMENTS, WITH THE LEAST RISK OF INTERDICTION.

MARIJUANA, BY VIRTUE OF ITS BULK IS USUALLY SHIPPED IN BY SEA, WHILE HEROIN AND ICE, OR CRYSTAL METHAMPHETAMINE, DUE TO THEIR GREATER PROFITABILITY AND REDUCED BULK, ARE OFTEN SHIPPED IN SMALL AMOUNTS. THESE SHIPMENTS CAN BE CARRIED BY HUMAN "MULES", CONCEALED IN CARGO TRANSPORTED IN LEGITIMATE COMMERCIAL SHIPPING AND AIRCRAFT, OR

IN AERIAL AND SEABORNE COMMERCIAL CONTAINERS. IN THE PACIFIC, A SMUGGLER'S MODE OF TRANSPORT IS LITERALLY ONLY CONSTRAINED BY HIS IMAGINATION.

HEROIN USUALLY ORIGINATES IN THE GOLDEN TRIANGLE, WHERE IT IS PROCESSED AND TRANSSHIPPED TO FACILITIES BELIEVED TO OPERATE IN THAILAND, VIETNAM, CAMBODIA AND HONG KONG. FROM THESE POINTS, THE HEROIN PASSES INTO DISTRIBUTION CHANNELS; FOR EXAMPLE, COMMERCIAL CONTAINERS, MAIL, OR CONCEALED IN TOURIST LUGGAGE. BECAUSE OVERLAND ROUTES PASS THROUGH BURMA, LAOS, CAMBODIA, AND CHINA, OUR BEST CHANCE TO DETECT AND INTERDICT HEROIN IS AT SEA, BEFORE IT REACHES THE TRANSSHIPMENT POINTS. WE ARE CURRENTLY CONSIDERING OPERATIONS WHICH WILL ASSESS THE VULNERABILITY OF SOME OF THESE ROUTES.

MARITIME SHIPMENTS OF MARIJUANA AND HASHISH ARE CURRENTLY THE MOST VULNERABLE TO DOD DETECTION AND MONITORING ASSETS IN OUR AOR. MOST OF THE MARIJUANA AND HASHISH SHIPPED INTO THE U.S. COMES FROM SOUTHEAST ASIA, IN DEDICATED SMUGGLING VESSELS.

ESTIMATES ARE THAT FROM 25 TO 50 OF THESE LARGE SHIPMENTS TRANSIT FROM ASIA FOR THE WEST COAST OF NORTH AMERICA ANNUALLY. THESE ARE EITHER MOTHER SHIPS, WHO DOWN LOAD THEIR CARGO INTO NUMEROUS SMALLER CRAFT, UP TO 1500 MILES OFF U.S. SHORES, OR THE SINGLE SMUGGLER SHIPMENTS WHICH MAKE DIRECT RUNS INTO THE U.S. AS YOU KNOW, MR. CHAIRMAN, SOME SIX PERCENT OF THE DOMESTICALLY CONSUMED MARIJUANA IS GROWN IN HAWAII. NEITHER WE, NOR THE LAW ENFORCEMENT AGENCIES HAVE YET BEEN ABLE TO DEVELOP RELIABLE SOURCE INFORMATION ON HOW THAT MARIJUANA IS ENTERING THE CONTINENTAL UNITED STATES.

ALTHOUGH THE PRIMARY COCAINE PRODUCING COUNTRIES LIE OUTSIDE OF THE PACIFIC COMMAND'S JURISDICTION, OUR CONTIGUOUS WATERS AND SEAS FROM POTENTIALLY ATTRACTIVE ALTERNATIVE ROUTES FOR AMBITIOUS SMUGGLERS. FOR INSTANCE, MOST RECOGNIZE COLOMBIA AS THE MAIN SOURCE OF U.S. COCAINE. ALTHOUGH WE HAVE NOT YET DETECTED A SIGNIFICANT AMOUNT OF MARITIME COCAINE SMUGGLING TRAFFIC IN OUR AREA OF OPERATIONS, WE HAVE PERIODICALLY POSITIONED NAVAL AND COAST GUARD SHIPS OFF BAJA, CALIFORNIA, TO MONITOR THIS ALTERNATIVE SHIPPING ROUTE. AS INTERDICTION EFFORTS IN THE CARIBBEAN INCREASE IN SOPHISTICATION AND EFFECTIVENESS, WE FULLY EXPECT TO SEE A SHIFT TO THE PACIFIC ROUTE.

WE HAVE ALREADY SEEN A RECENT SHIFT IN AERIAL COCAINE SMUGGLING, MAINLY INVOLVING COCAINE LEAVING COLUMBIA. RECENT DOD/LEA SUCCESSES HAVE CAUSED COCAINE SMUGGLERS TO DEPART COLOMBIA, FLY A ROUTE OVER THE PACIFIC OCEAN, AND THEN LAND IN SITES CLOSE TO THE MEXICAN BORDER, WHERE THE DRUGS ARE BROKEN DOWN FOR ONWARD SHIPMENT INTO THE SOUTHERN U.S. PRESENTLY, MOST OF THESE FLIGHTS ORIGINATE IN SOUTHCOM'S AREA OF RESPONSIBILITY (AOR), TRANSIT BRIEFLY THROUGH LANTCOM'S AND PACOM'S AOR, AND THEN REENTER MEXICO AGAIN. AS OUR INTELLIGENCE FUSION CENTER IN ALAMEDA BECOMES OPERATIONAL, WE EXPECT TO BE ABLE TO DEAL WITH THIS DIFFICULT TRACKING/MONITORING PROBLEM WITH GREATER SPEED AND AUTOMATION, ALLOWING NEAR INSTANTANEOUS COORDINATION AMONG SEVERAL AGENCIES WHICH COLLECTIVELY NEED TO TRACK THESE AIRCRAFT.

OUR LATEST PROBLEM IS THE RECENT ARRIVAL OF CRYSTAL METHAMPHETAMINE, OR AS IT IS KNOWN ON THE STREETS, ICE. ALTHOUGH ICE HAS YET TO ARRIVE IN LARGE QUANTITIES ON THE MAINLAND, IT IS THE NUMBER ONE HARD DRUG PROBLEM IN HAWAII. CURRENTLY, WE BELIEVE MORE THAN 90% OF THE SUPPLY IN HAWAII IS PRODUCED IN KOREA, THEN SHIPPED IN SMALL QUANTITIES TO THE U.S., THROUGH CHANNELS LIKE HEROIN. TO GIVE YOU AN APPRECIATION OF THE DIFFICULTY OF THE ICE PROBLEM, A KILO OF ICE (2.2 POUNDS) RETAILS IN TOKYO FOR $600,000 AMERICAN DOLLARS. AS YOU CAN READILY SEE, INTERDICTING SUCH HIGHLY PROFITABLY, SMALL QUANTITIES OF A DRUG LIKE ICE, WILL BE MORE THE RESULT OF GOOD INTELLIGENCE THAN RANDOM AERIAL OR MARITIME AREA SURVEILLANCE.

THE DRUG TRAFFICKER MOST VULNERABLE TO DOD MONITORING AND INTERVENTION IN THE PACIFIC, IS THE DEDICATED SEABORNE SMUGGLER, BUT EVEN THE DETECTION AND MONITORING OF THESE MARITIME SMUGGLERS IS, AT BEST, DIFFICULT. FOR EXAMPLE, UNLIKE THE CARIBBEAN THERE ARE RELATIVELY FEW MARITIME CHOKE POINTS IN THE PACIFIC TO CONCENTRATE OUR NAVAL AND COAST GUARD EFFORTS AGAINST. MOREOVER, ON ANY GIVEN DAY MORE THAN 5000 SHIPS, OVER 100 TONS IN DISPLACEMENT, ARE UNDERWAY IN THE PACIFIC. SINCE WE ESTIMATE THAT ONLY BETWEEN 25 AND 50 SHIPMENTS PER YEAR ACTUALLY CROSS THE PACIFIC FORM ASIA, YOU CAN APPRECIATE THE MAGNITUDE OF THE RANDOM VESSEL INSPECTION CHALLENGE FACING JTF5. OBVIOUSLY, RANDOM INSPECTIONS ON THE HIGH SEAS, ARE NOT

THE PREFERRED METHOD OF DOING BUSINESS IN THE PACIFIC, THOUGH WE DO DEPLOY FOUR DEDICATED NAVAL VESSELS DAILY, TO KEEP THE PRESSURE ON.

OUR PREFERRED BASIS OF OPERATIONS IN JTF5 WILL BE TO USE OUR AIRCRAFT AND SHIP ASSETS MORE PRODUCTIVELY, BY FIRST DEVELOPING OUR HUMAN AND TECHNICAL INTELLIGENCE CAPABILITIES. ONCE OUR ALL SOURCE INTELLIGENCE CENTER IN ALAMEDA IS FULLY OPERATIONAL, WE BELIEVE BY THE END OF THE YEAR WE WILL BE ABLE TO PROCESS HIGHLY PERISHABLE DRUG INTELLIGENCE, AND THEN CUE OUR INTERDICTION FORCES TO SPECIFIC AIR AND MARITIME VESSELS KNOWN TO BE DRUG TRAFFICKERS.

IN THE PACIFIC COMMAND, COUNTERNARCOTICS RESPONSIBILITIES HAVE BEEN DIVIDED BETWEEN TWO COMPONENT COMMAND, JTF5 AND CDRWESTCOM.

BASICALLY, WE AT JTF5 ARE CHARGED WITH AIR AND SEA DETECTION AND MONITORING. WESTCOM IS PRIMARILY RESPONSIBLE FOR GROUND OPERATIONS IN SUPPORT OF LEA'S.

JTF5 BEGAN OPERATIONS ON 10 FEBRUARY 1989, IN FACILITIES LOCATED ON COAST GUARD ISLAND, IN ALAMEDA, CALIFORNIA. THE LOCATION FIT WELL WITHIN DEFENSE GUIDELINES, WHICH REQUIRED US TO EMPLOY EXISTING DOD FACILITIES, AND TO LIMIT MODIFICATION AND PROCUREMENT OF UNIQUE ANTI-DRUG FACILITIES.

THE MISSION OF JTF5 CHARGES ME TO BE ABLE TO PERFORM FIVE SPECIFIC COUNTERNARCOTICS TASKS:

1. TO DETECT AND MONITOR AIRCRAFT AND SURFACE VESSELS SUSPECTED OF SMUGGLING ILLEGAL DRUGS INTO THE UNITED STATES.

2. TO EFFECTIVELY INTEGRATE INTO THE ANTI-DRUG C3I NETWORK.

3. TO FACILITATE COORDINATION OF THE ACTIVITIES OF THE OTHER FEDERAL AGENCIES ENGAGED IN COUNTERNARCOTICS OPERATIONS.

4. TO PROVIDE DRUG RELATED INTELLIGENCE TO APPROPRIATE LAW ENFORCEMENT AGENCIES.

5. TO FACILITATE COORDINATION AMONG DOD AND CIVIL AGENCIES TO ELIMINATE UNNECESSARY DUPLICATION OF EFFORT, AND MAXIMIZE EFFECTIVE USE OF RESOURCES.

THESE TASKS CAPSULIZE THE MISSION AND PHILOSOPHY OF JTF5. IN SUPPORT OF OUR MISSION, WE POSSESS AN ARRAY OF SOPHISTICATED ASSETS, HERETOFORE, UNAVAILABLE TO THE LAW ENFORCEMENT AGENCIES, FOR APPLICATION TO THE COUNTERNARCOTICS EFFORT.

JTF5 WAS FOUNDED WITH REPRESENTATIVES FROM EACH OF THE FOUR MILITARY SERVICES, AS WELL AS PARTICIPANTS FROM THE COAST GUARD, ASSIGNED ON A TEMPORARY BASIS. TODAY, ALL 46 OF THE MILITARY OFFICER BILLETS ARE MULTISERVICE PERMANENT ASSIGNMENTS, WITH ONLY 5 TEMPORARY DUTY PERSONNEL REMAINING.

AS I HAVE INDICATED IN OUR MISSION CHARTER ONE OF THE PRIME FUNCTIONS OF JTF5 IS TO BE AN INTELLIGENCE FUSION CENTER, WHICH WILL OPERATE AS A CENTRAL CLEARING HOUSE FOR THE COLLECTION AND DISTRIBUTION OF COUNTERNARCOTICS INTELLIGENCE AMONG DOD AND OTHER LAW ENFORCEMENT AGENCIES. YEARS OF LEA EXPERIENCE HAVE CONSISTENTLY CONFIRMED THAT NEARLY 90% OF ALL LARGE DRUG ARRESTS RESULT FROM HUMAN OR TECHNICAL INTELLIGENCE, AND OUR SHORT EXPOSURE TO THE PROBLEM CONFIRMS THAT INTELLIGENCE IS ALSO KEY TO OUR SUCCESS. THE JTF5 INTELLIGENCE FUSION CENTER, WITH ITS SECURE SCIF ENVIRONMENT, WILL SOON ALLOW US TO COLLECT, ANALYZE, FUSE AND DISTRIBUTE SUCH ALL SOURCE DRUG INTELLIGENCE. ONCE COMPLETE, IT WILL BE THE DESIGNATED FACILITY IN THE PACIFIC COMMAND RESPONSIBLE FOR FUSING LEA INTELLIGENCE WITH OTHER DOD CLASSIFIED INFORMATION.

NOW THAT THE MAJORITY OF THE APPROPRIATIONS HAVE BEEN RECEIVED, WE ARE MOVING WITH GREAT URGENCY TO COMPLETE THE NECESSARY CONSTRUCTION TO HOUSE OUR ALL SOURCE INTELLIGENCE CENTER.

ADMIRAL HARDISTY, IN HIS CAPACITY AS USCINCPAC, HAS MOVED QUICKLY AND DECISIVELY THEATER-WIDE, DURING THE LAST YEAR TO BRING EACH OF HIS MANY RESOURCES TO BEAR ON THIS NEW MISSION. FOR EXAMPLE, IN ORDER TO FURTHER COMPLEMENT THE JTF5 MISSIONS OF AERIAL AND MARITIME DETECTION AND MONITORING, HE DESIGNATED COMMANDER WESTCOM AS RESPONSIBLE FOR

ALL DOD SUPPORTED OPERATIONS WITH LAW ENFORCEMENT AGENCIES WITHIN ALASKA, HAWAII, U.S. TERRITORIES AND POSSESSIONS, AS WELL AS DOD OPERATIONAL SUPPORT TO OTHER COUNTRIES IN THE PACIFIC AOR. TO DATE, THESE OPERATIONS HAVE BEEN CONCENTRATED IN HAWAII FOCUSING ON MARIJUANA RECONNAISSANCE AND ERADICATION, AS WELL AS THE PROVISION OF PERSONNEL SUPPORT TO THE DEA'S HAWAII ICE TASK FORCE. ADDITIONALLY, THE ADMIRAL HAS PERSONALLY REQUESTED THAT EACH OF OUR AMBASSADORS IN THE PACIFIC PROVIDE HIS EMBASSY'S FULL SUPPORT IN THIS IMPORTANT MISSION.

MR. CHAIRMAN, IN SUMMARY, THE PACIFIC COMMAND HAS MADE SIGNIFICANT PROGRESS IN FULFILLING THE BROAD MANDATES ASSIGNED TO US. WE ARE RAPIDLY APPROACHING FULL OPERATIONAL STATUS AT JTF5, AND WHILE CONSTRUCTION IS ONGOING WE CONTINUE OUR MARITIME PATROL OPERATIONS, UNTIL OUR FULL FUSION CAPABILITY PERMITS US TO GO TO MORE INTELLIGENCE CUED OPERATIONS. WE HAVE BEEN VERY GRATIFIED BY THE CONTINUING DEVELOPMENT OF WORKING RELATIONSHIPS, AND THE NEARLY FRICTIONLESS COOPERATION BETWEEN US AND THE LAW ENFORCEMENT AGENCIES. THIS HAS ALREADY NETTED US A FEW MUTUAL SUCCESSES AND HAS THE POTENTIAL FOR NOTICEABLE INCREASES IN OUR MUTUAL EFFECTIVENESS. YOUR COMMITTEE'S CONTINUING SUPPORT WILL INSURE THE CONTINUED DEVELOPMENT OF OUR CAPABILITY TO COMBAT THE DRUG MENACE WHICH THREATENS OUR GREAT COUNTRY.

JOINT TASK FORCE NO. 6

STATEMENT OF LT. GEN. GEORGE R. STOTSER, USA, COMMANDER, JOINT TASK FORCE NO. 6

Senator INOUYE. Now may I call on the Commander of JTF No. 6, Lieutenant General Stotser.

General Stotser: Good morning, Mr. Chairman.

As you know, the mission of the JTF No. 6 is to coordinate all DOD support for drug law enforcement agencies on the Southwest border to detect, deter, and disrupt illegal narcotics trafficking.

Since activation of JTF No. 6 in November of last year, we have received in excess of 50 requests for military assistance. These have resulted in operations consisting of a variety of tasks, to include employment and monitoring of ground sensors, use of remotely piloted reconnaissance aircraft, ground surveillance by ground surveillance teams, improved roads and trails transportation, and tactical field training for border patrol to mention a few.

To date, I have been very pleased with the progress of JTF No. 6 and the coordination and cooperation that we have received from the law enforcement agency. We have experienced startup problems, encountered by any new organization. However, we are addressing those issues which we are sure will improve our ability to give both timely and quality support to the law enforcement agencies.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

[The statement follows:]

STATEMENT OF GENERAL GEORGE R. STOTSER

Mr. Chairman and members of the committee, thank you for the opportunity to discuss the role of the Joint Task Force Six within the overall Department of Defense effort to implement the President's National Drug Control Strategy.

CINCFOR ROLE

Before specifically addressing Joint Task Force Six, I want to emphasize that Commander in Chief Forces Command has a conus-wide counternarcotics support mission. The JTF-6 mission on the southwest border is but one tier of the overall FORSCOM counternarcotics effort. Each of the five continental United States Army Commanders (including myself) have been given responsibility for planning and coordinating military counternarcotics support to federal, state, and local law enforcement agencies within each CONUSA area of operations. Additionally, CINCFOR is currently establishing an intelligence fusion capability to support Operation Alliance, other joint commands, and cooperating foreign governments.

ESTABLISHMENT OF JTF-6

Joint Task Force Six was formed for planning purposes in October of last year. At that time CINCFOR designated me as the task force Commander and directed that the task force headquarters be located at Fort Bliss in El Paso, Texas. The JCS officially activated the Joint Task Force as a subordinate command of CINCFOR on 13 November 1989.

JTF-6 MISSION

The mission of Joint Task Force Six is to coordinate all Department of Defense operational support for drug law enforcement agencies on the southwest border to detect, deter, and disrupt illegal narcotics trafficking. I want to emphasize that the task force is in a supporting role and does not conduct operations independent of the law enforcement agencies. Basically, our goal is to maximize DOD support along the border and to eliminate any duplication of effort.

OPERATIONAL ORIENTATION

Given this mission on the southern land border of the United States, we have somewhat different operational orientation than Joint Task Force Four and Joint Task Force Five. Their orientation is maritime and aerial in nature, while Joint Task Force Six is oriented primarily toward land trafficking of drugs along the U.S./Mexico border. However, we do coordinate closely with North American Aerospace Defense Command in their efforts to support air interdiction of illegal drug traffic because it is impossible to separate air and land trafficking operations along the border. Some of the same traffickers bringing drugs into Mexico by air often off-load their cargos near the border for land movement north.

ORGANIZATION

In line with the mission, Joint Task Force Six is organized as a command and control headquarters with a substantial liaison section to coordinate with the numerous agencies and activities involved in one way or another with the drug trafficking problem along the border. There are no operational troop units assigned as part of the organization. I will address how DOD service components provide operational units to the task force to conduct specific missions.

PLANNING AND COORDINATION

As I indicated, the task force has a number of liaison officers assigned. This is necessary due to the extreme size of the area of operations and to the large number of federal, state, and local law enforcement and related agencies which, directly or indirectly, deal with cross border drug trafficking. For example, in addition to the Drug Enforcement Administration, the Customs Service, and the Border Patrol of the Immigration and Naturalization Service, other federal agencies which contribute to the effort are the Federal Aviation Administration, the Forest Service, the Bureau of Land Management, the National Park Service and the Bureau of Indian Affairs just to name a few. Additionally, the governors of the four border states of Texas, New Mexico, Arizona and California have a significant role as do the local law enforcement officials whose jurisdiction lie within the border area. All four of the states have ongoing programs which make use of their Air and Army National Guard to support interdiction operations. As you can see, this myriad of agencies complicate our coordination effort and presents a unique operational environment.

At this point I would like to mention that the coordination process is made considerably easier than it might be by an agency called Operation Alliance. This is a coordination agency, organized under the auspices of the southwest border committee, which was established by then Vice President Bush to coordinate drug law enforcement activities along the Mexican border. Operation Alliance consists of permanent representatives from DEA, Customs, and INS. Additionally, other federal agencies, the four border states, and several local law enforcement officials send representatives to the coordination meetings of Alliance. The task force has exchanged liaison officers with this organization and uses it as the conduit for processing requests for military assistance originated by the various law enforcement agencies. Operation

Alliance reviews the request to ensure that military assistance is appropriate and then forwards the requests to Joint Task Force Six for action within DOD.

The planning and coordination process for providing DOD operational support to drug law enforcement agencies along the border starts with Operation Alliance. Once the task force receives the request from Alliance, coordination is made with the service components to locate military assets capable of providing the desired support. Simultaneously, we formalize the request and send it through FORSCOM to the Chairman, Joint Chiefs of Staff for interdepartmental coordination within the federal government. Once this coordination has taken place and CJCS gives approval, we then provide the operational support within DOD's capabilities. Concurrent with this process, the operational military unit and the law enforcement agency to be supported conduct preliminary coordination. This is followed by detailed joint planning and concept approval by the JTF and Operation Alliance. Upon CJCS approval, the support mission is conducted by the military unit under the operational control of the task force until mission completion.

One final aspect of the coordination process is that involved with the National Guard of the border states and the National Guard Bureau within DOD. We have agreed to provide a liaison officer to the Adjutant General of each of the four border states. Additionally, both the Texas National Guard and the National Guard Bureau have provided liaison officers to our task force. The purpose of the joint task force is to support the efforts of the State National Guard Forces and to expand the assets available to them. In this way the task force is able to maximize all available DOD assets and eliminate duplication of effort.

OPERATIONS

Since the activation of Joint Task Force Six in November of last year, we have received approximately 50 requests for military assistance. These resulted in operations consisting of such varied tasks as emplacement and monitoring of Remote Ground Sensors, use of remotely piloted reconnaissance aircraft, ground surveillance by reconnaissance teams, unpaved road and trail construction or improvement by engineer units, and tactical field training for border patrol agents by Special Forces units. When completed, this initial round of operations will have been evenly divided between the Army and Marine Corps. In all of these operations, we considered the training value to the supporting unit, as well as the benefit to the supported law enforcement agency when developing plans and selecting units. In each case, the military units were under task force operational control and in support of a law enforcement agency. This means that the law enforcement agency made the decisions about what was required to be done, while the joint task force controlled how the requirement would be fulfilled. This method of control ensures that military units do not exceed their legal authority under the provisions of Posse Comitatus which prohibits federal military forces to search, seize, arrest, or conduct any related civilian law enforcement activity. Care is taken to preclude direct military involvement in such situations. Also, this procedure ensures that maximum training benefit is derived.

CHALLENGING ISSUES

I have been pleased with the progress of Joint Task Force Six to date. We have experienced start-up problems encountered by most new organizations; however, we are addressing issues which will improve our ability to provide the highest quality support to the drug law enforcement agencies. The key issues are: improved maps of the southwest border, better command, control, communications, intelligence and interoperability systems, gaining access to private lands while supporting law enforcement agencies, and relief of liability for our personnel when they are acting properly in support of law enforcement agencies.

MAPS

Inadequate mapping of the southwest border hampers planning and operations. We use alternative maps when available. However, these maps limit our ability to become as familiar with terrain characteristics as we need for our operations. We have already started the process of aerial photography necessary to produce topographic maps; however, it will take time to produce these maps.

INTELLIGENCE

Our intelligence personnel are working closely with the El Paso intelligence center to develop complementary intelligence systems. We can combine our tactical intelligence skills with law enforcement agency skills. This area has the greatest potential for making a significant contribution to slowing the flow of drugs into the United States across the southwest land border. We can provide the drug law enforcement community the analysis it needs. The result will be the development of all available drug trafficking information into a predictive intelligence product which can be used at the lowest tactical level to plan and execute more effective interdiction operations. As a matter of fact, CINCFOR is already in the process of developing an intelligence fusion center which will not only pay big dividends for our operation on the southwest border, but will also assist the other CINCs' drug interdiction operations in this hemisphere.

COMMAND, CONTROL, AND COMMUNICATION SYSTEMS

Likewise, it will take some time for us to procure the communications equipment necessary to interface the military and law enforcement communications networks. Meanwhile we use what is available, such as existing telephone systems. We will continue to improve our capability to provide the needed support. Solutions to most of these obstacles are being worked and are well within the ability of the Department of Defense to resolve.

AREAS OF CONCERN

There are some areas of concern, however, which require action to provide the most effective support along the southwest land border. First, since approximately 50 percent of the southwest border is private land, some relief is necessary to obtain authority for military personnel to enter private land for the sole purpose of supporting the counternarcotics operations of the law enforcement agencies--without prior approval of the land owner. The agencies we support have that authority, but, at present, the military does not. We feel this is critical as sources indicate that seventy percent of illegal drug traffic comes across the border at locations other than established ports of entry. Second, our military personnel need to be protected from civil and criminal liability when performing duties pursuant to proper authority in counternarcotics support operations. The United States, not the soldier, marine, airman or sailor should be liable in such cases.

SUMMARY

In our brief history, JTF Six has made great progress. We are multiplying the effectiveness of the law enforcement agencies by expanding their capabilities. Our operations have allowed the law enforcement agencies to shift critical assets from support and detection roles to direct apprehension of traffickers. The military men and women assigned to JTF Six are making a significant contribution to the national effort to secure for all Americans "A Drug Free America."

Thank you for the opportunity to provide these words for the record.

PLANS AND BUDGET FOR DOD COUNTERNARCOTICS PROGRAM

Senator **Inouye**. Now may I call on the vice chairman of this committee, Senator Stevens.

Senator **Stevens**. Thank you, Mr. Chairman.

As the chairman indicated, I think this was an initiative of this subcommittee, to try to get the military more involved in the concept of drug interdiction.

Generally, Mr. Secretary, as I have reviewed the statements and talked to people throughout the country as to what is going on, I think we are pointed in the right direction.

But we provided $450 million last year to be earmarked for this process, and I find that there is a complaint that the Department has been rather slow in getting that money out to be utilized by the units that are called upon in the counterdrug area.

That results in moneys being used by the units that are called on. They are instructed, both by the President and the law, which provides they will be available. Those moneys, which they use, are being taken from other activities, such as fisheries patrol and normal training and operations of the Guard and Reserve.

I think it would affect the regular Air Force and the Army, too.

Why has it taken so long to get this money released when it was one of the No. 1 priorities of Congress in the appropriations bill last year?

Mr. **Duncan**. Senator Stevens, there are several reasons. Frankly, I accept responsibility for that because I don't think all of the reasons are sufficient. They are good, managerial reasons, which relate to sequestration, which relate to the requirement to have to do a lot of reprogramming, and so forth. They are all things that are logical and reasonable. There is no intent to delay.

I am convinced that everybody in the Department is doing everything possible to make it happen. But, frankly, that does not meet our standard of success.

So we are putting renewed emphasis on making sure this money gets released. In recent days and weeks there have been several additional moneys released, and I am satisfied that everybody has the word.

One of my challenges, as coordinator, is to coordinate, and I have a large organization to coordinate. That is not by way of excuse. It is unacceptable. We will continue to improve on that.

It is similar, however, and not unrelated to the fact that for many of the things we are doing, it is the first time—whether it is consolidation of the budget, whether it is coordinating a new program. This is not by way of excuse; it is simply a statement of fact.

So, it is a high priority of the Secretary and we will continue to make it a high priority to make that money get out.

Senator **Stevens**. Well, you know, the Department—and I think the Chiefs were involved in this, too—were opposed to this mission. We finally had to convince the President, and the President has gone beyond what Congress asked now.

Let me ask just one last question, Mr. Chairman. I don't want to take up too much time.

JOINT CHIEFS MISSION

General Webb, you represent the Joint Chiefs. Is this an accepted mission now, for the military from the point of view of the Joint Chiefs? Do we have to go any further to really emphasize the congressional intent, as far as this mission is concerned?

General **Webb**. No, sir; I don't believe you do.

I think the CINC's are on board and they are providing resources to do the job. We are constantly working with the law enforcement agencies to figure out better ways to cooperate and coordinate the activities.

I do not believe that additional direction is necessary. I think that the CINC's are all on board, based on my observations and my participation.

Senator **Stevens**. Thank you very much, Mr. Chairman.

Thank you, gentlemen.

Senator **Inouye**. I thank you, sir.

Now I would like to call upon a Senator who has been in the forefront here, Senator D'Amato.

Senator **D'Amato**. Thank you very much, Mr. Chairman.

PREPARED STATEMENT

I have a prepared statement I would like to submit for the record.

Senator **Inouye**. Without objection.

[The statement follows:]

Statement of Senator D'Amato

Thank you, Mr. Chairman. Today, we will review the Defense Department's counternarcotics efforts and its plans for future programs.

This hearing comes at the right time. The defense budget is under enormous pressure. We must, therefore, examine the Defense Department's antidrug budget and program more carefully than we ever have before, to ensure that both are as strong as possible.

President Bush, in March 1990, approved the national security strategy of the United States listing a reduction in the flow of drugs into the United States as one of the interests and objectives upon which the survival of the United States, as a free and independent nation, depends.

Secretary Cheney in his January 1990 report to Congress stated that, "The Department of Defense will employ the resources at its command to fight the production, trafficking, and use of illegal drugs as an important part of the national effort to secure a drug-free America."

The Joint Chiefs of Staff, in their 1990 joint military net assessment, listed stemming drug flow into the United States as one of our national military objectives.

To help achieve these goals, I will be introducing legislation that: Allows the Defense Department to plan missions for the primary purpose of assisting law enforcement (currently, Defense Department support is only incidental to training); gives the Secretary of Defense the authority to determine whether assistance to law enforcement is of a sufficient priority to outweigh short-term effects on military preparedness (currently, it cannot adversely affect preparedness); grants a commander of a base the authority to use military aircraft to transport and train law enforcement; allows military personnel to surveil areas where drug trafficking is suspected; and excludes the Reserves who aid law enforcement from end-strength computations (provides an incentive for participation).

The Department has requested $1.2 billion for its counternarcotics efforts in fiscal year 1991, up from $877.6 million in fiscal year 1990.

In 1989, the Defense Department was given three new missions.

(1) It was designated as the lead agency for the detection and monitoring of seaborne and air-borne transit of drugs into the United States.

(2) It was assigned the task of integrating law enforcement command, control, communication, and intelligence assets into an effective communications network.

(3) The National Guard was given the mission of assisting law enforcement.

Interdiction and enforcement will not win the battle or the war. Ultimately, education and prevention will be the key to our success. Nevertheless, everyone must participate if we are to have a full national mobilization.

As General Omar Bradley said, "Wars are won by the great strength of a nation—the soldier and the civilian working together." He was right.

I look forward to our witnesses testimony and I thank the chairman for scheduling this important hearing.

EXECUTION OF FISCAL 1989 YEAR MONEY

Senator D'AMATO. Mr. Chairman, I hadn't intended to raise this point, but Senator Stevens did make it. Secretary Duncan, perhaps you might think this is whipping a dead horse, but I have to tell you that, when we go back to August of last year, I think it was August 3, and we see that there have been $300 million appropriated and only $200,000 has been expended for the war on drugs as it relates to defense—am I giving you something that is out of left field here?

Mr. DUNCAN. The only thing is, if you are talking about fiscal year 1989, the thing that was slow there was the execution of the money for the National Guard plans. That has changed completely.

Senator D'AMATO. That's why I think Senator Stevens raised the question to General Webb. I mean, are we really on board? Are we really going to undertake this?

Obviously, with defense dollars being limited, it seems to me that it gives you some kind of motivation. You know, this is like a rescue. Now, don't be shocked; don't be shocked.

I am just sharing with you things that, if you have not heard, people on the Hill talk about and that others speak about.

DEFENSE DRUG INTERDICTION ASSISTANCE ACT

Now, I don't care. In other words, if this has gotten renewed interest and brings about an interest in changes in attitude at the higher levels of the Defense Department as it relates to making its assets available, then fine. Fine. I am delighted.

But I have submitted some legislation, and I understand, Mr. Secretary, that your people are in the process of reviewing it.

Before I ask you what you believe, as it relates to the authority, in this legislation, that it would give in the Defense Department, let me go over it. It is called the Defense Drug Interdiction Assistance Act.

The first thing it does is, currently the Defense Department support is only incidental, under the legislative authorities that we gave you, to training. This legislation would allow the Defense Department to plan missions for the underlying primary purposes of assisting law enforcement.

So, at the present time, you are really going beyond, and this would make it a primary thing. That is one of the important aspects.

The second is that, presently, the Defense Department cannot adversely affect preparedness at any level. That was put in there.

By way of historical reference, I think that underscores just how concerned we are. I remember the battles we had, where the argument was, "Oh, you will hurt the military preparedness of the country and that is our primary mission." Of course, in that we have really said that the national security depends on, as the President said, interdicting the flow of drugs.

If that is true, should we not have the language clearly indicate that this is a prime concern, as opposed to not being able to get trapped and that this would adversely affect, even for a short period of time—in other words, a diversion of some assets? That is a clarification point.

I think the third major point is that there is no statutory authority at the present time to allow military personnel to surveil areas where drug trafficking is suspected.

Were you aware of that?

Mr. DUNCAN. No present authority to permit us to surveil, what, suspect drug activities?

Senator D'AMATO. Areas where drug trafficking is suspected. There is no statutory authority to do that now. We would clearly put that as part of the statutory language.

Now, my question is, Do you believe that the authority we would grant you in this legislation would be beneficial in your efforts? As I think we all acknowledge, this has now become a prime effort of the Defense Department.

Mr. DUNCAN. It could well be.

Senator, I was hoping to have an answer for you this morning on the Department's position on your proposal. I will tell you that I am moving it as fast as I can, coordinating it with the military services, and so forth.

There is a significant interest in it. Some have suggested that perhaps we already have the authority to do some of the things this legislation would permit.

In any event, I have made it a priority, and I hope to have an answer to you in the next few days. I am just not prepared to address individually each of your proposals. But I am familiar with them.

Senator D'AMATO. OK. I would be appreciative of that. I think it would clearly indicate—for example, there is additional authority as it relates to base commanders, giving them the ability to make a decision, which I think in many cases they are going to have. And do we give them the authority as it relates to this?

Mr. DUNCAN. There is a whole series, Senator, of possible legislative corrections or assistance that we might seek. One of them involves General Stotser and JTF No. 6, for example. Unlike some of the law enforcement agencies, military forces cannot cross private property along the border.

We are trying to address some of those problems with policy. If we are not satisfied that it can be done, we won't hesitate to ask the Congress for assistance by legislation. We are working that very actively, too, along with your specific proposals.

ATTITUDE PROBLEM

I would like to follow up with one question. I want to immediately dispel any lingering suggestion that there is any kind of attitude problem about the counternarcotics mission within the Department.

I would not presume to speak for the 26,000 people who work in the Pentagon or every single human being. But I will tell you that the guidance from the President and the Secretary is very clear. We are doing all that we can to aggressively and energetically perform this mission. I have not detected any reluctance at all since the Secretary asked me to assume the responsibility. Indeed, if anything, I have people standing in line, anxious to assist in it.

One of the encouraging things that is happening is that our military commanders are finding that training missions can often be enhanced—not in all cases. But many times, training missions can be enhanced, and certainly morale can be enhanced by having people engaged in a mission which the President has described as the No. 1 problem facing the Nation.

So I am very satisfied with the attitude and I certainly want to dispel any suggestions to the contrary.

OPERATIONS IN COLOMBIA AND PERU

Senator D'AMATO. Mr. Chairman, I have a number of other questions. One deals with the Colombian operation; another one deals with Peru and the intended operations there.

It seems to me that some of these questions may not be appropriate for public hearing. I would like, at some point in time—and I am going to submit these for the record— ask if we could not develop a method whereby we could at least have the opportunity to find out, No. 1, what went amiss as it relates to Colombia, what are we doing, and the premature revelation and/or the contacts that were or were not made with the Colombian Government that brought about what otherwise has to be considered an embarrassment and a setback of some type; second, why the announcement on Peru and some of the details in terms of what the New York Times revealed?

I have to be candid with you. I don't know if that is the way we should go about making our announcements; and if that was intended, who intended it?

I just think in some cases we can bring about more problems by that. You know, the article says money is going to be used to train and equip six battalions. It gets pretty specific.

Now I am doing something that I didn't really want to do. But this was in the newspaper: provide six river patrol boats; refurbish 20 A-37 ground attack jets.

I have to tell you that I don't know if we should be reading about this in the media and I don't know whether the Chairman was advised. Certainly you could say, "Well, Senator, we don't have to advise you." But I think it would be nice to have somebody come on up and tell some members of the committee and some of the staffers before we read these things in the press.

I don't know what the accuracy is and I'm not going to ask you to comment on the accuracy. But it seems to me that some little birdie was over there with some specificity.

I don't think that helps in Peru. I happen to have been down there. I was down in Panama, though not in Peru, and I met with some people who understand the complexities of that situation pretty well. That is a tough, tough situation. You have some people in the military down there who are not cooperative and you have some of the great crooks of all time operating in that area, some of the cartel people.

I don't know what we gain by that kind of thing. If there is a strategic plan, I would like to know at a closed session why it was—I'm preparing you beforehand, because the questions don't say that—and if it was not strategic, how the hell did it happen?

Thank you, Mr. Chairman.

Senator INOUYE. I can assure you that we will arrange for a meeting under secured conditions to get responses to your questions, sir.

Senator D'AMATO. Thank you very much, Mr. Chairman.

Mr. Secretary, it's good to see you, even though I raised those points. At least I gave you forewarning.

Mr. DUNCAN. Yes, sir; not at all. We appreciate it and will be glad to participate.

Senator D'AMATO. Thank you.

Senator INOUYE. Senator Kasten.

Senator KASTEN. Mr. Chairman, thank you.

PROCUREMENT OF EQUIPMENT

Mr. Secretary, I want to talk a little bit about procurement of equipment.

Last year, at congressional direction, we asked for $40 million in last year's budget. The Department of Defense obviously does not have that category in the budget submission. But my understanding is that, of the $81 million, only $5 million is geared today for equipment.

A number of people out in the field are asking questions about that difference, between $40 million, which was last year's funding level and why you reduced it by $35 million. Particularly we are concerned about communications equipment, about helicopters, about tactical wheeled vehicles, and also I understand about tanks.

First of all, why did you take that procurement down as much as you did? It seems to me that in all of these categories, we are going to have to take the money from somewhere else and add it in.

Maybe that is what you expected us to do. But these categories are going to have to be made up, it seems to me.

Mr. DUNCAN. Sir, with respect to the $40 million, just to refresh your memory, the Department did not ask for the $40 million as part of its budget submission last year. That was added by the Congress, as you pointed out.

We have not reduced anything. We simply did not ask for it in this latest budget request. I can assure you that there was no intent to somehow transmit messages that we would expect you to take it from elsewhere.

We made our best judgments on what we need to implement our counternarcotics program. The budget request for this year, when you take into account not only the statutory missions and everything else that we are doing—for example, the expanded CINC operations is, as the Chair has pointed out, over $1.2 billion, up substantially from last year. We simply made our best judgments as to the relative priorities of things that we need to implement the President's strategy and to carry out the congressionally mandated missions.

Senator KASTEN. I don't need to pursue this any further.

Mr. DUNCAN. That issue was coordinated with the services and the military departments.

Senator KASTEN. In my judgment, we are going to have to add back in some of these areas that I mentioned. It is just very difficult. It seems to me if you would have been closer to asking for what the real needs were, we might be less likely to be taking dollars away from other categories.

But, Mr. Chairman, I think we are going to have to add on some money for the tactical wheeled vehicles. For the tanks there is zero. There is a number of categories for which we are going to have to add back money.

I am assuming that we will have support, not only in this committee, but probably in the House committee as well.

Mr. DUNCAN. I might add, Senator, that we did request the $5 million at the specific urging of the National Guard Bureau. That was recommended by the Guard Bureau for the purchase of equipment and we agreed.

Senator KASTEN. And I understand that is part of the $81 million figure that is there.

Mr. DUNCAN. Yes, sir.

Senator KASTEN. We understand each other.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator DeConcini.

Senator DECONCINI. Thank you, Mr. Chairman.

Mr. Secretary, good morning, and thank you for helping us here.

Mr. DUNCAN. Good morning, sir.

FUNDING OF SPECIFIC DRUG ACTIVITIES AND DRUG INTERDICTION ASSETS

Senator DECONCINI. I was not here for some of the earlier questions, so if you have dwelled on these points or gone into them, please just say so and I will look at the record.

In fiscal year 1989, Mr. Secretary, the Department of Defense was appropriated approximately $300 million for the antidrug fight. In 1990, the Department was appropriated over $600 million, and for 1991 the request is $1.2 billion. I strongly support the military getting more involved in the war on drugs and support these appropriations.

However, I do believe that the Pentagon has not been very forthcoming in detailing how this money is being spent.

I submitted questions last year on the same topic to Deputy Secretary Donald Atwood and have yet to receive a reply.

I wonder if you could provide me with a detailed background of what specific drug activities and drug interdiction assets were funded with the DOD funds in 1989 and what will be funded in 1990. And, of course, if you could, project what you think will be funded in 1991 for the record. I realize you may not have that here, but it would be very helpful to me.

Second, I would like to know, did the DOD use funds in the fiscal year 1989, or do you plan to use funds in fiscal year 1990 for communication equipment, and is any of this equipment being shared with Federal, State, and local law enforcement agencies?

Mr. DUNCAN. Yes, sir; let me give you a quick summary on the numbers in the budget.

Of course, in fiscal year 1989, Congress appropriated $300 million for the implementation then of the three statutory missions. For 1990, the year we are in now, we think that probably the final DOD commitment, not only what the Congress appropriated but what we are essentially taking out of hide to implement several other initiatives, will approach $877 million, and, as you pointed out, for fiscal year 1991 our request is for slightly over $1.2 billion.

In fiscal year 1989, the Congress, as I recall, directed us to spend no less than $40 million of that $300 million on an enhanced role for the National Guard acting in a State status.

The remaining $240 million was left to our discretion. We made a choice that, in order to design the architecture of the C^{3}I—and I'm talking about the C^{3}I mission now—we chose to spend $60 million——

Senator DECONCINI. Was that $60 million?

Mr. DUNCAN [continuing]. Yes, $60 million out of that $300 million to design the architecture and engage in related work for the C^{3}I mission.

Senator DECONCINI. Is that for 1989?

Mr. DUNCAN. That's for 1989.

Much of what we were doing as part of the C^{3}I mission was simply designing the architecture before we get to the purchase of equipment so law enforcement agencies can communicate with Armed Forces units in secure ways. That was a managerial decision to spend $60 million on that particular effort.

Now, in fiscal year 1990, I believe in my prepared statement, I have a breakout of what we have done for each of the 3 years. For fiscal year 1990, you will note, for the C^{3}I, it is $27 million. But, basically, what we are doing there is consolidating much of the work that was started in 1989. We have proposed $56 million for the C^{3}I integration mission during fiscal year 1991. We have made available to the committee staff our budget justification, which breaks it out in much greater detail.

Senator DECONCINI. Thank you, Mr. Secretary.

AEROSTATS

I understand that DOD plans to procure three additional Aerostat balloons in that system in 1991.

Can you tell the committee where these Aerostats will be located, and am I correct in that?

Mr. **DUNCAN**. We are in the process of completing the Aerostat fence, which, at this point in time we project to be completed, the final procurement, in fiscal year 1992. So, we are in the process of building up to the total number of Aerostats. There is some misunderstanding about precisely what we are doing with the Aerostats.

Many people are under the impression that we are building a detection net using only Aerostats. Of course, as the Senator knows, that is not the case. We are trying to combine in a cost-effective way everything from AWACS to Navy ships to ground-based radar, along with the Aerostat.

Senator **DECONCINI**. And the P-3's, I take it?

Mr. **DUNCAN**. And the P-3's; yes, sir. That is very important.

Senator **DECONCINI**. So, in 1992 you will have about all the Aerostats and have them implemented or deployed by them.

Mr. **DUNCAN**. Yes; we are hopeful. That is the present thinking.

In the performance of our counternarcotics mission, I am finding that there are very few absolutes. What we are going to be doing is evaluating, on a regular basis, what works, what does not work, and what is the most effective way to go. What appears to be the most cost-effective way in 1 month, 6 months later, as we get new information, may not be. So we are constantly reevaluating our programs.

Senator **DECONCINI**. Do you have any evidence that the Aerostats are not functioning, you know, meeting what you think they should—except for the fact that one broke and the weather tore down two of them?

Mr. **DUNCAN**. No; at this point our judgment is that they are very cost effective and we are proceeding with our program.

Senator **DECONCINI**. Does the DOD have any interest in taking over the operation of the Aerostats that Customs Service has?

Mr. **DUNCAN**. The head of the Customs Service has asked us about that and, frankly, we are taking it under evaluation. I have communicated back to her that we are considering it. I have not given a final departmental position. It is still being coordinated.

Senator **DECONCINI**. Will that be accomplished this year or the decision made this year?

Mr. **DUNCAN**. Oh, I would expect so; yes, sir.

AWACS MISSION

Senator **DECONCINI**. How many hours per month are the AWACS aircraft being devoted to the drug surveillance mission in 1990?

Mr. **DUNCAN**. I would defer to the military commanders on those specific questions.

Maybe General Webb knows?

Senator **DECONCINI**. General Webb, can you help us here?

Mr. **DUNCAN**. I will say, Senator, that we have, in our plans, planned to allocate as much as 40 percent of the entire AWACS mission to the counternarcotics program. I am not sure how that breaks down in hours. It is obviously a major portion of our AWACS mission.

Senator **DeConcini**. General Webb, would you comment?

General **Webb**. Surely.

Senator **DeConcini**. Are you anywhere close to 40 percent of the training time in the AWACS going to drug interdiction?

General **Webb**. We're at 43 percent and we are climbing. I can get the specific numbers for you.

It is a significant effort, though.

Senator **DeConcini**. Would you? Thank you.

[The information follows:]

AWACS support to drug interdiction has increased dramatically. During the last 3 months the actual hours were: January, 925.8 hours; February, 817.8 hours; and March, 1,090.4 hours.

Overall, this support equates to about 43 percent of the AWACS worldwide allocation. The worldwide allocation includes training, exercises, allied support, and counternarcotics activities. Additionally, this support is projected to increase in the near future to support the latest CINC initiatives to a new total of approximately 55 percent of AWACS total allocated time.

BODY ARMOR

Senator **DeConcini**. Recently, Mr. Secretary, I have been working with several law enforcement organizations in drafting legislation to institute Federal regulations on body armor, the so-called bullet proof vest.

At the present time, only voluntary standards exist. This has led to some confusion among law enforcement agencies as to which body armor is totally reliable.

My biggest concern is that less than one in four officers around the country are wearing any type of body armor. Some feel that the armor is too hot; others say it is too bulky.

I don't believe enough has been done by private industry in the area of research and development of body armor. This leads me to my question regarding the role I believe DOD could play.

When military personnel take part in antidrug operations, such as the marines working with the border patrol on the Southwest border, are these individuals required to wear body armor?

Mr. **Duncan**. I'm not aware of that. But I will ask General Stotser if they are required to, sir.

General **Stotser**. We have not required it. We look at it by each situation and each event. If it looks like there would be the possibility of danger, then yes, we could require them to do so.

To my knowledge, to date, we have not required this.

Senator **DeConcini**. Is the body armor that you would require, if you decided to do so, the same that is available to local law enforcement officers?

General **Stotser**. I do not know that answer, sir.

Senator **DeConcini**. Do you have any standards, the Department of Defense, on body armor?

General **Stotser**. Yes, sir; we do have.

Senator **DeConcini**. You do?

General **Stotser**. Yes.

Senator **DeConcini**. Have you made any comparison of what those are to what is used by various law enforcement agencies?

General **Stotser**. I have made no comparisons.

Senator **DeConcini**. I want to follow up also on what the DOD can do, Mr. Secretary, in regard to the development of more effective law enforcement tools, such as body armor.

OFFICE OF NATIONAL DRUG CONTROL POLICY

The 1988 bill included a provision that directs the Office of National Drug Control policy to develop a comprehensive plan for utilizing five Federal agencies, including DOD, in resource, development, and technology work for Federal law enforcement antidrug efforts. I believe support by DOD in this area would be a very valuable asset.

Are you aware if any work is being done by DOD in this area to assist law enforcement?

Mr. **Duncan**. Oh, yes, sir.

In fact, one of my deputies sits on a committee where the technology aspect of the counternarcotics program is receiving a pretty high priority.

I can tell you that if we could make some technological breakthroughs, even on such fundamental things as inspecting containers and so forth, it would have a dramatic impact.

Senator **DeConcini**. I was just going to ask about that.

There is research being done by DOD on that now?

Mr. **Duncan**. Yes, sir; we are involved in the technological exploration. Yes, sir.

Senator **DeConcini**. The Civil Air Patrol has been very active and successfully involved with U.S. Customs and DEA over the past couple of years. The cost to the Government for these CAP missions is only $50 per hour. The committee is aware that, among other missions, CAP participated in Operation Landmark for Customs over the last 12 months.

During that time, CAP has located and marked numerous airfields and landing strips in the Southwest, which would be used for illegal drug operations.

CAP is willing to assist the Air Force and DOD in any way it can in their drug interdiction responsibilities.

Has DOD contemplated or assigned any role to the CAP?

Mr. **Duncan**. Well, of course, $1 million was appropriated in the current fiscal year for the CAP.

On the counternarcotics mission, generally my philosophical approach is that we welcome help from any direction. But I have to go through and establish from a managerial standpoint the priorities that we think the budget will permit and the Congress will approve. So, we constantly evaluate not only the Civil Air Patrol, but everyone involved or who like to be.

Senator **DeConcini**. Can you give us some kind of idea of how you are spending that? Are you actually engaged with CAP missions now?

Mr. **Duncan**. My understanding is that we are, Senator. But I would be happy to answer that for the record on the specifics.

Senator **DeConcini**. Would you please?

Mr. **Duncan**. Yes, sir.

[Clerk's note.—The Department failed to respond.]

MILITARY ANTIDRUG OPERATIONS

Senator DeConcini. General Stotser, let me ask you this.

When I was in Arizona recently, I met with State and local law enforcement officials. They raised several concerns in regard to military antidrug operations. One of their principal concerns is being made aware and kept in the loop on other operations being planned along the border by the military.

Last fall, the Senate passed an amendment which I introduced which required that DOD coordinate all antidrug operations on the Southwest border with Operation Alliance.

OPERATION ALLIANCE

What is the relationship with JTF No. 6 with Operation Alliance, and do you believe that Alliance is getting the attention and resources necessary from the administration?

General Stotser. Senator, I think we have very close cooperation with Operation Alliance, and I think our procedures and our coordination are working very well.

I also think it is working well with the States, and we are in the process of providing liaison officers for those States to insure that the total DOD effort is coordinated.

So I think we are moving in exactly the direction that you desire. We are not there yet, but I think we are going in the right direction.

Senator DeConcini. One concern raised along that line was the need for a full-time staff person from JTF No. 6 to be headquartered in Arizona to give State and local agencies immediate access.

Does JTF No. 6 plan to place an officer in each of the border States to interact with State and local agencies? If so, when will that occur?

General Stotser. Yes; we do. We already have one in Texas. We have exchanged with Texas and also the National Guard Bureau.

As soon as our joint manning program—our authorization for personnel has just been approved this last month. It includes personnel for that, and I hope to have it filled by the summer.

Senator DeConcini. How about the other States?

General Stotser. The same thing, sir.

Senator DeConcini. That's for all of the States.

General Stotser. Yes, sir.

Senator DeConcini. So some time by the end of summer there will be that?

General Stotser. I hope so. If we get those authorizations filled by that time, sir, they will be with the States.

Mr. Duncan. Senator, I sent you a letter on this matter last Friday. I put myself on the line, on the hook, and promised you that we would have the active duty liaison officer for the Arizona Guard to be assigned by the end of July.

Senator DeConcini. Thank you, Mr. Chairman. I had not received that. I have been out in the State and did not receive that letter.

I appreciate that very much.

Mr. Chairman, I have some other questions, but I realize there are other members here who want to ask questions, so I will submit them for the record.

I want to thank you, Mr. Secretary and General Stotser, for the attention you are paying to the local law enforcement. At least in my State it makes a world of difference. It not only makes my job easier, and yours perhaps, but I think it is having some effect with the interdiction along our border.

Thank you, Mr. Chairman.

Senator **INOUYE**. Thank you.

Senator Harkin.

Senator **HARKIN**. Thank you, Mr. Chairman.

Senator **DECONCINI**. Mr. Chairman, I beg my colleague's indulgence.

Senator Harkin, but I didn't realize you were here. I'm sorry I was asking the questions on the CAP.

Senator **HARKIN**. Glad to hear you do that.

Senator **DECONCINI**. You have been the leader on that issue for some time.

Senator **HARKIN**. I might not have been here, so I am glad you did ask those questions. I appreciate it very much, Senator.

Senator **DECONCINI**. Thank you.

CIVIL AIR PATROL

Senator **HARKIN**. In fact, Mr. Secretary, I am going to key off with questions on the Civil Air Patrol. This has been something that I have been working on now for about 3 years. We can't seem to break through on it. Just can't seem to break through.

You know, you push and it is like a marshmallow. You push someplace but nothing ever happens.

Secretary Bennett was out in Iowa last week, and I just came from a hearing with Secretary Bennett. I reminded him of this last year. It caught his attention, just like this.

We had a meeting about drug surveillance in Iowa and locating marijuana patches, things like that, people in Iowa were cultivating, Mr. Chairman. The National Guard came in and they are flying their helicopters for surveillance. They had all these pictures and stuff like that. It was pretty impressive.

Well, I asked what it cost to fly those Hueys out and do all that, and I got a cost from DOD of $568 an hour. This is from DOD.

The Civil Air Patrol can fly it for $42 an hour. Flying Cessna aircraft, they can go out and do the same job—fly low, fly slow.

In fact, the DEA people told me they would rather have the CAP because there are so many small planes flying around, these druggers out there don't know one from another. But if they see a Huey coming, they know who it is and what is going on and they duck and run. Or they cover things up if they see helicopters around, stuff like that.

I just said that to Secretary Bennett not more than 25 minutes ago up at another hearing. I asked what is happening on this? Why can't we break through on this?

Mr. Secretary, take a look at the history of the CAP and look at what they have been doing on our coastal regions in Florida and along our borders for surveillance. Look at the cost of doing business and its status within the Air Force.

Mr. DUNCAN. I'll inquire, Senator.

Senator HARKIN. What?

Mr. DUNCAN. I'll inquire.

Senator HARKIN. I really wish you would. I have been on this for a while, and if you need any information or data, I have a file full of it, and my staff people have a file full of information on what we have been doing with both the Air Force and DOD. I think we go back 3 years in this process of trying to get the Civil Air Patrol more involved in this.

What you have is Civil Air Patrol pilots who have thousands of hours of flying time. We are not talking about young kids. These are people who are airline pilots. Some are military. Why some of them are active duty or Reserve pilots, flying in the Reserves, or flying in the National Guard. They will take their time. You don't have to pay them a cent. They are volunteers. They want to do this. All we have to pay for is the gas for the airplanes, the gas and the upkeep of the airplanes. That's why you get the costs down so low.

But in Iowa, for example, in doing their surveillance work, they can't even get a camera. They take their own personal cameras along just to take the pictures.

Then there is another problem. If they go out and fly a surveillance mission for the DEA, the DEA is supposed to reimburse them for that. But, you see, DEA does not have to reimburse the National Guard.

Heck, if you do something for me that costs $568 an hour and I don't have to pay you for it, and somebody else will do something for me for $42 an hour and I have to pay for it, why which one do you think I'm going to take?

What I am saying is it all comes out of the same pot, this money. The CAP can do a great job in our national forests. They are already doing surveillance in national forests and are flying over national forests. They are doing surveillance work in Florida and along some of our border regions in Arizona, New Mexico, and Texas.

But I just cannot seem to break through to get the kind of focus and attention that I think is needed to get the Civil Air Patrol involved in this kind of work. It's $1 million. Why you would be amazed at what $1 million does for the Civil Air Patrol. But it is not in next year's budget. It is not even in next year's budget request that you sent up here.

As I said, I would like to work with you on this and get your attention drawn to it. As I said, these are qualified pilots; they are volunteers. They want to do it. And I have to believe by any yardstick or measure, Mr. Chairman, it is cost effective. It is really cost effective.

So please get some people to look into it and ask them what the problems are. What are the problems with using the Civil Air Patrol for these missions?

There are certain protocols and certain agreements and things. Frankly, it is bureaucracy, doggone it, that just seems to get in the way of this darn thing. It is people fighting one another and it needs someone in a strong position, like yourself, to say let's cut through all this stuff and let's get down to the nub of it, and why can't we do it and utilize the Civil Air Patrol.

I ask you to do that.

Second, I ask you to reexamine that budget request for next year and see if you can't give us a modification on that, to request some more money for the Civil Air Patrol to continue these operations.

Mr. DUNCAN. Yes, sir; I'll inquire.

Senator HARKIN. Please feel free to call me up. I'll get right back to you because I have all of this stuff in my files. I did not bring it with me as I didn't want to burden you with it. But I can take you through this thing, chapter and verse, for about the last 3 or 4 years.

Mr. DUNCAN. We are not trying to exclude soldiers from this very important fight, I can assure you.

Senator HARKIN. Thank you, Mr. Duncan. I appreciate it.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you.

Senator Specter.

IMPACT OF DRUG INTERDICTION ON THE UNITED STATES

Senator SPECTER. Thank you, Mr. Chairman.

At the outset, I compliment you, Mr. Chairman, for focusing attention on this issue in a special subcommittee hearing, and I compliment the Department of Defense for the actions undertaken on the drug war.

There has been a lot of sentiment in the Congress for some time, as we have wrestled with the problem, with the heavy focus of attention on our legislation in 1986, and then in 1988. It is very reassuring to see Secretary Cheney coming forward with the specific orders which have been issued and the very active involvement of the Department of Defense on this very important subject.

The statistic that I frequently cite is that there are 20,000 homicides a year in the United States that are crime related, and most of those are drug related. This is an enormous security problem, which dwarfs anything we face on the international scene, generally. The use of Department of Defense resources is a very, very important item for our overall national welfare. It is good to see the Department in the midst of this issue in a big way.

I have had two opportunities to travel to Latin America to look at this issue, in the fall of 1988 and over the last recess. I see enormous improvements in terms of what has been undertaken.

General Thurman is doing an outstanding job, characteristic with his performance generally. I had a chance to review his operations during the course of the last several weeks.

One threshold question which concerns me, and I would like to speculate with you about it because there is no answer to it, is what is the prospective impact of this tremendous activity on the drug scene in the United States.

We are attacking drugs at many levels, and it is a question of priorities—on the demand side, with rehabilitation/education; on the law enforcement side, with strike forces, courts, and prisons; and on the interdiction side.

I believe that we ought to be doing what we are on interdiction. But at the same time I wonder whether there is a realistic likelihood of a significant impact. If you take the total number of tons of cocaine which are produced in Latin America and contrast that with even the great success on interdiction, and you take a look at discouraging the growth of the coca leaf in Bolivia and Peru, where it may push out into other Latin American countries, or the drug cartels in Colombia, and the laboratories, do we have a realistic likelihood of being able to do enough on interdiction to dry up the source of supply on streets of big cities of the United States without pushing the balloon somewhere else?

I would be interested in your thought on that, Mr. Secretary.

Mr. DUNCAN. Senator, let me make several comments in response.

First of all, the President's strategy is a balanced strategy, as you pointed out, that involves attacking both demand and supply. Will the supply reduction efforts alone win the drug fight? No, not alone. But they are imperative and necessary in our opinion.

One of the challenges we are having—I will be candid with you—one of the difficulties we face is the design of a fair and accurate measurement of our effectiveness. I have no doubt at all about the attitude and the energy of our uniformed people who are implementing the policy. But when we hear a commander of a joint task force, for example, report—and I think it is widely accepted by the law enforcement community also—that the traffic patterns have changed from coming cross the Caribbean to now coming across the Southwest land border, that is not pounds of cocaine that have been confiscated, necessarily. But we have succeeded in disrupting and making riskier the traffic patterns of the drug traffickers.

We consider that a success. I will candidly say, however, that it is very difficult to talk about that kind of success, as it is about the airplane that does not take off this year laden with illegal cocaine, headed from a South American country to the borders of the United States because of the fear of the pilot that he will be detected and monitored by the Armed Forces and turned over to the law enforcement agencies of the United States. That is a success. But it is very difficult to talk about it in terms of tangible empirical evidence of pounds of cocaine confiscated, and so forth.

Senator SPECTER. Mr. Secretary, it is a broad subject, and I don't want to spend too much time on it today because the hour is late. But I raise it for our continuing analysis as to what we can do here with our best efforts.

I think we ought to be doing precisely what we are doing. I agree with President Bush's balanced approach. I think we really have to raise hell on this and push it very hard.

But then I think we have to look, after a period of time, and see if we have had a significant impact on the supply.

LIMITATIONS ON USE OF MILITARY PERSONNEL

Let me move now to another subject because I want to take up a few subjects with you. It is the limitations on the use of military personnel in the drug war for good reasons, in terms of internal action. Take Bolivia, for example, when I was in Bolivia in September 1988, I took a long helicopter ride to Chimaray and saw the activities of DEA and Special Forces. Under our law, Special Forces cannot participate on a raid with the Bolivian Police, but DEA can. The DEA agents were fat and 40, frankly, and the Special Forces personnel looked like they were ready to go into the toughest kind of combat. And our laws prohibited Special Forces and allowed DEA to undertake the activities.

I know that with what is happening now in Peru, we have civilian helicopter pilots and we have had to rearrange the structure of manpower to comply with U.S. law. We had some debate on this in 1988, and the Armed Services Committee was supposed to have some hearings on the matter. I know that it is complicated when you have the kind of publicity—which is very good to have—that you have in the New York Times lead story on Sunday about the $35 million from the Department of Defense and the Shining Path being engaged in drug activities and the Shining Path being a political organization. I don't want to get too deeply into it.

But my sense is, even if politics and drugs are mixed in Peru, then the United States has a right to assist the Peruvian Government in moving against the entity which is selling drugs. This is not a political fight; it is a drug fight.

If the same operation is dealing in drugs and politics, then we have to act against them, even though they have the political aspect that we are not moving against.

This brings back into focus a more active use of the proper personnel. If we have two units, Special Forces, well qualified to handle a tough assignment, and we have DEA agents side by side, both U.S. Government personnel, it does not make any sense to me to be using the DEA personnel when we have others who are much better qualified.

I would like your assessment of the desirability, as you see it, of at least studying that issue, if not of moving ahead to make some changes so that we have our best people doing the job in the most efficient way.

Mr. DUNCAN. Well, as the Senator probably suspects, this is a much more complex issue than merely what our law requires or permits. Much of it also has to do with the attitude of the host government that is involved, the policies of the President, and so forth.

As is clear now, the President's policy is that our Armed Forces personnel will not go out on operational missions. But we are involved in training in various things, in everything from how to fly helicopters to whatever. That is the President's policy.

Senator SPECTER. How about the DEA agents going out on operational missions? What do you think of that, Mr. Secretary?

I know they are not your people and it is not on your watch. But how about it?

Mr. DUNCAN. It is difficult for me to express an opinion. We are doing all that we can to help them be prepared to perform their missions, and we are involved in training with them. But I think it would be a little presumptuous of me to start evaluating their performance, other than to say that we are doing all we can to help them succeed.

Senator HARKIN. Oh, I am not going to press you on an evaluation or a comparison. And I know what the President's policy is.

But what I am suggesting is that we need to rethink this, and we need to rethink it in the context of recognizing that if there is a political aspect and a drug aspect, or a political aspect and a crime aspect, then we are within our rights in going after the crime aspect.

MULTINATIONAL DRUG STRIKE FORCE

Let me take up one other subject very briefly. This relates to the last point you mentioned, and it is very complicated in terms of the attitude of the host country and sovereignty.

It concerns the idea which is being discussed broadly for a multinational drug strike force. This is an idea which was put into the field by Michael Manley, the Prime Minister of Jamaica, who testified before the Judiciary Committee last year. He has had the idea for some time.

I introduced an amendment, as you may know, to the Department of Defense appropriations bill last year to express the sense of the Senate to encourage the Department of Defense to explore a multinational strike force. It passed 95 to 5.

The thrust of it is that other countries would be involved. Prime Minister Manley says that Venezuela is willing to participate, and Spain is willing to participate. I raised the subject in a number of Latin American countries on my recent trip, and there is an interest in it. The advantages are that it is not unilateral U.S. action, which is so troublesome for all the reasons that we know. There would have to be an invitation by the host country. It would have to be worked out in great detail and with great care.

Hopefully, President Barco will be able to sustain his actions, which have been very, very successful up until the present time, actions which he initiated last August. I am concerned that a situation may arise where, if not Colombia, then some other nation may be in need of help, and the United States cannot do it unilaterally. Probably even with an invitation by a host country there would be a great risk in doing it unilaterally. It would cause a lot of problems.

But the multinational aspect is very different.

When President Barco was in town, I raised the issue with him and he is not prepared to make any concessions that Colombia cannot handle the situation.

I had a chance to discuss it briefly with the President and the President said to take it up with President Barco and see if you can find some latitude there.

So we are exploring it. I raise it this morning to stimulate your thinking on it because there is a lot of support in the Senate, as evidenced by the 95-to-5 vote, that we would like to see this sort of internationalization of law enforcement developed. It ties in with a great many other things which are being done in an international context.

So, if, as and when a country like Colombia or some other country needs some help, and it is very much in our national interest to see it done, with the Jamaicans and others we would be in a position to move into that line.

I would be interested in your comments here, Mr. Secretary.

Mr. **Duncan**. Well, I am aware of the Senate's interest, and I am also aware that the matter has been discussed with the State Department over the course of the past several months.

You've put your finger on the primary point: to what extent do we have the invitation or the acceptance of the host government? That is perceived to be a very important point. We are discussing it, and I guess we have no formal position yet except to say that we are not categorically rejecting it. It is one of many ideas that are under debate with the State Department and within our Department. All I can do is assure the Senator that we are actively considering it at this point.

Senator **Specter**. I thank you for that response.

I will submit some questions for the record, too, Mr. Chairman, if I may. I don't want to take up any more time because it has been a long session.

I want to say that it is kind of hard, with all the talent that surrounds you, Mr. Secretary, not to hear from the military officials who are deeply involved in this issue. But I know they understand about the limited time.

These hearings are very useful for us to get a sense of what you are doing and for you to get a sense as to what we are thinking about and some of our own experiences. We will carry on these conversations outside of the hearing room because this is a matter of enormous importance and enormous concern.

I will repeat, though I won't repeat much, and say that I am delighted to see the Department of Defense so deeply involved in this very important item.

Thank you.

Mr. **Duncan**. Sir, if I could make just one quick response, it is very important for us also that we be able to share with the Congress what we are doing and what our challenges are.

MEASURING PERFORMANCE

Having said that, one of my tasks is to focus on what yet needs to be remedied and how we can improve our performance. These hearings provide a forum for doing that.

But we spend an awful lot of time focusing on what yet needs to be accomplished and I am candid about that. I think the chairman put his finger on an important point, though. There has been a lot of progress in the last year, and I hope the Senate recognizes that because the Department is doing everything—I can assure you that we are doing everything we can—to insure that progress. It is healthy for us to focus on what has yet to be fixed; but we must remember that a lot has been remedied and started in the last year.

Thank you.

Senator **Specter**. Thank you.

Thank you, Mr. Chairman.

Senator **Inouye**. Thank you.

LIABILITY

Mr. Secretary, I am certain, as obvious, that there are many of us who are interested in the CAP, but I have a question. What if a

CAP pilot and his aircraft goes out on a mission, a DOD mission, and is shot down?

You know, there is a difference in looking for forest fires or someone drowning in the ocean and looking for a marijuana patch with someone down below with an AK-47. What if the pilot is injured or killed? Is there any consequence, legal consequence or liability on the part of DOD?

Mr. DUNCAN. I'm not prepared to answer that today. But I constantly ask those questions and I think I need to explore it because it comes up in the context of the National Guard acting in a State status.

I understand that each of the different States provides different statutory protection by their legislatures for people in their State organizations, and when the Guard acts in a State status. I want to make sure that all of our soldiers and sailors are fully protected. I do not want them to be individually liable or less than fully protected as they are engaged in a mission that we are asking them to perform.

So I don't know the answer to your question, but I will certainly inquire.

[The information follows:]

The Civil Air Patrol [CAP] is a private corporation (not a part of the military), which provides voluntary services to the Department of the Air Force, other military departments and Federal agencies, as well as to State and private organizations. When they are flying Department of the Air Force missions, we limit CAP participation to noncombat missions. In those circumstances, the CAP personnel are covered by the Federal Torts Claims Act [FTCA] (28 USC 2671, et seq.) and the Federal Employee's Compensation Act [FECA] (5 USC 8101, et seq.). Additionally, I am informed that the Department of Justice has opined that CAP personnel are covered by FECA whenever they fly and FTCA when they perform missions for other military departments and Federal agencies. When they perform missions for State agencies or private organizations, although FTCA coverage is not available, case-by-case determinations may disclose varying coverages stemming from the supported entity.

Further, I understand that Senator D'Amato is currently working on legislation that would indemnify all persons acting in conjunction with Federal or State military authority in reference to drug interdiction activities. That, or similar legislation, if adopted, may further impact on your inquiry.

Senator INOUYE. I think it is very important because I don't believe this question has been explored adequately.

DOD AND DRUG CZAR

What is your relationship with the drug czar?

Mr. DUNCAN. The organizational relationship?

Senator INOUYE. Yes.

Is there any overlapping or are their problems involved in your roles and missions?

Mr. DUNCAN. Oh, I don't think so. He is the President's Senior Advisor for the Counternarcotics Program. I am simply the Senior Adviser to the Secretary of Defense. Even in my capacity as the coordinator, I do not usurp the responsibilities of the other principal policy makers in the Department, nor am I in the operational chain of command.

We deal with ONDCP on a regular basis. I have two Deputy Assistant Secretaries of Defense who are constantly involved in meetings with ONDCP, as am I, whether it is the Supply Reduction Working Group or whatever. So we are constantly involved with following the President's guidance through Director Bennett and on our own, trying to implement what Secretary Cheney has directed us to do in the way of DOD initiatives.

Senator INOUYE. I asked this question because I was recently advised that there was a controversy surrounding the relationship between the JTF No. 4 fusion center and the Customs/Coast Guard Command, Control, Communications and Intelligence Center at Richmond Heights.

Has that been resolved?

Mr. DUNCAN. That would not relate to our relationship with ONDCP at all. But perhaps Admiral Irwin could speak to the specifics of that. I am just not sure what that is about.

Senator INOUYE. That is with the Coast Guard, Customs, and DEA, isn't it?

Admiral IRWIN. Yes, sir.

The C^3I center in Miami is a joint Coast Guard/Customs air interdiction center designed back in the 1986 drug omnibus bill, which provided the money for that.

I don't think it is a problem, sir. I know there are people who look at both their operations at that center and what we do down at JTF No. 4 in Key West. There is some duplication. But I think it would be very difficult to do without each of them. The one in Key West that we use primarily to provide our detection, if you will, and sorting, is a Department of Defense installation that has been there for some time. On a military basis, it has other military missions it could be required to perform. It is also very helpful and very active in counternarcotics operations.

I don't think that is going to go away. And it is an outstanding capability as far as detection and monitoring is concerned.

C^3I in Miami I think is an outstanding capability as far as coordinating the intercept and apprehension phase. You need both of them.

We have, I think, a very powerful fusion center at JTF No. 4. I don't think you can do away with that and I don't think it can be duplicated at C^3I. That is where all the national intelligence comes in. That's where the Department of Defense intelligence comes in, all very highly classified, broken down, mixed with the law enforcement information, and put out in a much lower classified level. That cannot be done, in my estimation, at C^3I.

COMMAND PATROLS OF MEXICO, CENTRAL AMERICA, AND SOUTH AMERICA

Senator INOUYE. General Stotser, your command shares a common border with Mexico and Admiral Irwin's command patrols the coastline of Mexico, Central America, and South America. How well do you get along with the countries in your area of interest?

Admiral IRWIN. Would you like me to answer that, sir?

Senator INOUYE. And the general also; yes.

Admiral IRWIN. We really do not interact with Mexico directly. That is left to General Stotser's command, with DEA, and with other organizations.

When we look at Central America and South America, that is done by General Thurman and his people. Our involvement really is on the water.

If it were a case of those countries participating or joining in in some way with operations with us, we would be involved with them. But we would certainly, for example, include SOUTHCOM in anything.

Senator INOUYE. I asked this question because Colombia recently objected to the United States stationing naval vessels off their coast. I have been told that Mexico has at times expressed opposition to enhanced United States Army patrols along the Mexican border.

How do you cope with this?

General STOTSER. Sir, I am aware of the Mexican concerns about, as they call it, militarizing the border, although I do not think that is what we are doing.

But I, as a joint task force commander, do not directly talk to Mexico. That is at a higher level, sir.

DRUG INTERDICTION FUNDING PROGRAM

Senator INOUYE. Mr. Secretary, when this subcommittee established a funding program for drug interdiction last year, I think the intent was primarily to fund operations costs. I notice that we are spending a lot for procurement of assets.

I would think that if there is any agency with a lot of sophisticated equipment, it should be DOD. In light of the developments in Eastern Europe, we are going to have a lot of excess.

Now, for example, in this fiscal year 1991, you are requesting $243 million for over-the-horizon Backscatter radar, which, incidentally, the Congress turned down for defense requirements. Then we understand that a reprogramming is being prepared that would fund remotely piloted vehicles for drug interdiction.

Aren't you trying to get assets through drug interdiction that DOD cannot get otherwise?

Mr. DUNCAN. There has been a perception expressed by some that that is what we are trying to do. I assure the committee that we are not. I am working too hard at maintaining our credibility with the Congress to come over here and try to disguise something as a drug mission that is not.

The OTHB, as far as I am concerned—because I keep asking the question—it is the best judgment of all of our operating personnel who have to perform the detection and monitoring mission and all of the technical experts in the Department that this system is needed. When you combine the duality of the mission—that is to say, since it can be used for strategic purposes as well as for the detection and monitoring mission, and the fact that it will be focused at the Southwest border and can look in directions that we have no other current capability for—it is our best judgment—I am convinced that it is the consensus best judgment right now that this system is necessary for us to perform our mission.

Having said this, let me suggest that, with respect to any kind of system, the approach I am taking, as I mentioned earlier, is to constantly evaluate it. As we come into new information, nothing is sacred as far as I am concerned.

We are aware that we need to be very cost effective on what we spend our counternarcotics dollars for. So that is our current best judgment, and we will continue to be candid with the Congress about what our best judgment is.

Senator INOUYE. Gentlemen, it has been a long morning. I would like to thank all of you for your testimony. It has been most helpful to us.

I will assure you that we will continue to look upon this as a major area of concern.

ADDITIONAL COMMITTEE QUESTIONS

We will submit the balance of the questions for response in the record.

[The following questions were not asked at the hearing, but were submitted to the witnesses for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO SECRETARY DUNCAN BY SENATOR INOUYE

Budget Exhibits (P documents)

Question: Please provide procurement budget exhibits (P documents) for items included in the Drug Interdiction budget request.

Answer: The attached insert provides a detailed breakout of the FY 1991 counternarcotics procurement request. A detailed program review of all counternarcotics TIARA projects will be conducted in early May 1990. Subsequent to this review, a counternarcotics annex to Volume VI of the TIARA Congressional Justification Book (CJB) will be provided to Congress. This annex will include additional procurement detail and as appropriate, a final revised TIARA appropriation summary.

Agency/ Service	Project Number	$ (Thousands) PROCUREMENT	Description
DCA	1102	1430	Procures systems necessary to establish a single thread data network between existing law enforcement facilities dedicated to the anti-drug effort and military facilities involved in DoD's detecting and monitoring activities.
		[Deleted]	
ARMY	2101	4900	Funds secure voice, data circuits and tracking path procurement including 13 secure HF data systems, 10 tactical imagery systems, upgrades 4 [Deleted]
			Leases a transmission satellite path from each country to CONUS and leases land line circuits to JIC.
ARMY	2402	200	[Deleted]
AIR FORCE	2405	22000	Funds development of host nation radar surveillance system in support of air space surveillance plans.
			[Deleted]
ARMY	2416	980	
ARMY	2429	4500	

Agency/ Service	DoD Project Number	$ (Thousands) PROCUREMENT	Description
ARMY	2438	7500	
ARMY	2440	15900	Procures for SOUTHCOM a command information management system using a CONUS base mainframe computer. [Deleted]
NAVY	3309	300	Provides funds for CJTF-5 intelligence fusion center equipment. The [Deleted].
NAVY	3361	400	
NAVY	3367	1285	
NAVY	3369	225	Procures equipment for [Deleted].
NAVY	3394	117	Funds procurement of to directly support the DoD and JTF-5 mission of drug interdiction. Funds computer hardware and software.
NAVY	3414	200	[Deleted].

Agency/ Service	DoD Project Number	$ (Thousands) PROCUREMENT	Description
AIR FORCE	4110	33000	Funds procurement of two land-based aerostat radar systems and one spare.
AIR FORCE	4111	2400	[Deleted]
AIR FORCE	4117	214000	Procures of Over the Horizon-Backscatter Radar.
AIR FORCE	4118	30000	Funds [Deleted]
AIR FORCE	4122	2000	
AIR FORCE	4204	800	Buys [Deleted]
AIR FORCE	4209	3014	Procures Mission Radio System equipment. [Deleted] will provide new radios, antennae, power supplies, and related [Deleted]
AIR FORCE	4304	972	Provides terminals and software for [deleted]

Agency/ Service	DoD Project Number	$ (Thousands) PROCUREMENT	Description
AIR FORCE	4334	275	[Deleted] System needed for connectivity with Unified/Sub-Unified commands to exercise its role in force counternarcotic deployment/employment planning and operations.
AIR FORCE	4340	50	Buys software support, communications connectivity, and computers for [deleted]
AIR FORCE	4403	39200	
AIR FORCE	4420	750	
DCA	5201	51250	Funds congressionally directed procurement for communications support to the anti-narcotics effort. Provides federal, state and local law enforcement agencies communications connectivity. Funds will integrate an effective interagency communications network. This will include equipment, technical support, architecture support and project management support.
NATL GUARD	7403	5000	Provides procurement for equipment to be used by the National Guard while involved in counternarcotics operations in a State Status.
TOTALS		553487	

Question: Secretary Duncan, Please explain why the Department [of Defense] did not request FY 1991 funding for the Civil Air Patrol Drug Interdiction efforts.

Answer: The Civil Air Patrol (CAP) is not a Department of Defense organization. On 26 May 1948, Public Law 557, 80th Congress, 2d Session, was approved. It provided that the CAP was thereby "established as a volunteer civilian auxiliary of the United States Air Force"; that the Secretary of the Air Force was authorized "to accept and utilize the services of the Civil Air Patrol in the fulfillment of the noncombatant mission of the Air Force Establishment"; and that the Secretary of the Air Force, "under such conditions and regulations" as he should prescribe, was authorized to extend certain limited aid to the Civil Air Patrol, as set out in the said statute.

$1,000,000 was made available to support CAP drug surveillance flights under Title XII Sec 1201 of the 1990 DOD Authorization Act. This funding was unsolicited by the Air Force and was provided without prior validation by the Secretary of the Air Force. When the funding issues for FY 91 were being worked, the fledgling Air Force drug interdiction program did not include a separate funding line for the 1991 program. Because of the recently available funding, and an education program for user agencies, the need for CAP support for drug interdiction has only recently been identified by these agencies--US Customs, Drug Enforcement Agency and US Forest Service. Memoranda of Understanding concerning this support now exists and provides for CAP reimbursement from the affected agency, not from DOD. To insure proper use of this type of funding, monies to support CAP's ability to respond to surveillance requests should be appropriated to the using agency/department with its intended use earmarked by appropriate language. Law enforcement agencies may request Counternarcotics assistance and support from DOD Services which in turn may request and use available CAP capabilities on a reimbursable basis or, to the extent available, draw against the above funding.

The CAP is recognized to be a valuable national asset to DOD and the Air Force during times of crisis. Evolution of the Counternarcotics effort has resulted in an enhanced role for DOD capability. Congressionally mandated FY 90 funds were appropriated to the Air Force for all CAP support to the counternarcotics effort. Since the AF has never turned down a mission support request to provide CAP assistance to law enforcement agencies, we see no need to mandate additional funds for CAP support until requested by the DOD in our annual request.

OPTEMPO Disparity

Question: Operation and Maintenance funding for OPTEMPO increases by 25 percent in FY 1991 from the FY 1990 base; Military Personnel funding for OPTEMPO, however, increases only 8 percent. Please explain this discrepancy.

Answer: OPTEMPO increases in FY 1991 reflect both price growth and full year counternarcotics operations including CINC's expanded operations. As active duty MILPERS is not funded from the central counternarcotics account, the MILPERS cost reflected in the budget includes only incremental costs for reservists on active duty in support of OPTEMPO.

Funding Transfer to Service Operation/Maintenance

Question: Secretary Duncan, please provide information on the following for funds intended for transfer to each Service Operation and Maintenance Appropriation.

--Flying hours
--Steaming hours
--Base Operations
--Contractor Support
--RPMA
--Other Activity Groups/Subactivity Groups as appropriate

Answer: The attached sheet provides a breakout of the funds intended for transfer to each Service Operation and Maintenance Appropriation ($ in Millions).

	Detection/ Monitor Programs[1,2]	OPTEMPO[3]	CINC's Expanded Operations	Demand Reduction	FY91 Total Rqmt
Army	35.3	9.9	30.1	43.4	118.7
Army Reserve	0.0	3.2	0.0	0.6	3.8
Army Guard	9.9	5.5	0.0	0.7	16.1
Navy	30.7	188.9	5.2	31.1	255.9
Navy Reserve	0.0	1.3	0.0	0.2	1.5
Marines	0.0	0.0	0.0	3.2	3.2
Air Force	45.0	18.4	19.7	6.4	88.5
Air Guard	4.7	0.0	0.0	0.0	4.7
Defense Agencies	43.2	0.0	3.8	0.4	47.4
TOTAL O&M	168.8	227.2	57.8	86.0	539.8

[1] No funds are intended for transfer to RPMA or base operations.

[2] Funds intended for contractor support are included

within the detection and monitoring and CINC's expanded operations totals. The actual funds for these activity groups is under review as part of the Counternarcotics TIARA review process. This information will be provided in the Counternarcotics Annex to Volume VI of the TIARA Congressional Justification Book (CJB) which will be provided to Congress subsequent to the May TIARA review.

[3] OPTEMPO includes flying hours and steaming days.

Breakout of Funding for JTF and CINCs

Question: Please provide a breakout of O&M and Procurement funding by JTF and CINC.

Answer: A breakout of FY 1991 O&M and Procurement by CINC is a follows:

CINCS	O&M	PROCUREMENT
CENTCOM	367	0
CINCLANT	48,734	1,510
CINCNORAD	4,506	260,972
CINCPAC	6,777	400
FORSCOM	12,892	4,500
SOUTHCOM	34,640	50,700

A breakout of FY 1991 O&M and Procurement by JTF is as follows:

JTF	O&M	PROCUREMENT
4	8,262	1,510
5	4,698	300
6	2,567	0

NOTE: Some funding for the CINCs and JTFs is embedded within other Military Service Counternarcotics projects and programs and is not reflected in the above totals. Furthermore, counternarcotics projects, which contribute to the counternarcotics programs of the involved CINCs/JTFs but are not unique to a CINC or JTF, are excluded from the above totals.

Status of $450 Million for FY 1990

Question: The FY 1990 Defense Appropriations Conference Report (p. 131) requires the Secretary of Defense to identify by June 30 use of the $450 million appropriated in 1990. What is the status of this effort?

Answer: The Department is currently compiling the necessary information for this report and will provide this information to the Congress as early as possible. In addition to providing a status on the $450 million appropriation; we plan to address the full DoD FY 1990 counternarcotics estimate of $877.6 million. In this regard, each of the Department's internal reprogramming actions as well as prior approval requests will be summarized to the level of detail normally provided in reprogramming requests.

DRUG INTERDICTION EQUIPMENT FOR THE GUARD

Question: Considering the Guard's increasing role, why has the Department chosen to zero procurement?

Answer: When the $5 million procurement figure for FY 91 was submitted, in February 1989, the National Guard Bureau was working with a partial requirements list from the states based on information available at the time. Since that time a comprehensive list of NG requirements has been developed, in coordination with the states, for out-year procurement.

Question: Your 1991 plan again proposes to procure more aerostat radars. Haven't we brought enough to cover the Gulf of Mexico by now?

Answer: Prior year funding is sufficient to completely fund all Gulf of Mexico aerostats. The FY 1991 funds are programmed for the procurement of two land based aerostats on the West Coast and one system spare.

Question: What happened to your proposal to procure semisubmersible aerostat radars?

Answer: Our original intent was to provide funding support for an unsolicited proposal made by the Blue Sea Corporation of Houston, TX. The Navy was selected to act as contracting agent and program manager for the project, and the unsolicited proposal was approved for sole source acquisition based on urgency of need. Subsequently the semisubmersible proved to be a much more costly program than originally envisioned, with significant limitations i mobility and operational capability. It was determined to be prudent both technically and fiscall to terminate interest in the consortium's unsolicited proposal.

In summary, the semisubmersible proposal simply did not meet the mission requirements as developed by the operational commander. The Navy Department in conjunction with the Joint Staff is leading a review to identify and possibly acquire a suitable system.

Drug Treatment

Question: How confident are you that the Department's prevention and education efforts will be effective enough to allow you to decrease funding associated with treatment?

Answer: The Department of Defense Worldwide Surveys continue to show a substantial decrease in the use of illicit drugs among military personnel. The percentage of current users has dropped from 27.6 percent in 1980 to 4.8 percent in 1988. The reduction in current drug users in the Services has been further enhanced by the initiation last year of drug testing of recruits prior to or within 72 hours after a member's initial entry on active duty. The result of all our preventive efforts has been to reduce the prevalence of drug use and to give a clear and unequivocal message that military service and even casual drug use are incompatible. Consequently, we feel justified in projecting a decreasing need for treatment capacity for drug abuse among active duty personnel.

Question: Under what circumstances are military personnel sent to treatment facilities rather than being discharged for illegal drug use?

Answer: The Services have established and promulgated a policy of "Zero Tolerance" with regard to illegal drug use. In keeping with this, commissioned and senior non-commissioned officers are seen as abrogating their leadership and role model responsibilities if they use illegal drugs. They are processed for separation. Other enlisted personnel are evaluated on an individual basis for the severity of the problem, circumstances surrounding use, and potential for future service in determining whether to refer them for treatment or to process them for separation. In FY89, the Services referred 6, 417 individuals to drug treatment and rehabilitation programs. Of these, 2,733 were returned to duty. Of the 5,711 active duty personnel referred for drug awareness and education, 4,903 were returned to duty.

Question: Is there a drug interdiction "roles and missions statement" that sets forward what the Department of Defense does vis-a-vis the Customs Service, Drug Enforcement Agency, and Coast Guard?

Answer: There is a "Memorandum of Understanding among Department of Defense, United States Coast Guard, and the United States Customs Service". This document addresses the development and implementation of that portion of the drug interdiction process, namely detection and monitoring, in which DoD plays a key role.

The Memorandum of Understanding states that DoD, as "single lead agency" for the detection and monitoring mission, will coordinate and integrate the multiagency effort. DoD, the other signatory agencies, and the intelligence agencies will be jointly responsible for determining requirements to meet this mission. Law enforcement agencies will retain responsibility for drug interdiction activities other than detection and monitoring.

Liaison officers and other representatives will help facilitate effective inter-agency communication, and ensure positive hand-off of suspect vessels and aircraft. Signatory agencies will make available their detection and monitoring assets to incorporate in a detection and monitoring plan, in order to help avoid duplication of effort.

QUESTIONS SUBMITTED TO SECRETARY DUNCAN BY SENATOR DeCONCINI

Question: Would it be possible for DoD research and development facilities to explore improvements in body Armor?

Answer: My office is working closely with ONDCP and the Law Enforcement Agencies (LEAs) through the Science and Technology (S&T) committee to identify Federal LEA requirements and to provide technology solutions to those requirements. Initially, we in DoD are identifying near term "off-the-shelf" solutions to identified requirements. Further, when near term solutions cannot be identified we are working with the LEAs to identify potential long term technology solutions. In the case of body armor, it would indeed be possible to utilize DoD R&D capabilities to explore improvements in body armor, if that was identified as a Federal LEA requirement.

QUESTION: Could you provide me with an estimate of how many flying hours this fiscal year and next will be requested of CAP for DOD related drug related missions?

ANSWER: (CLERKS NOTE: Department failed to respond.)

QUESTIONS SUBMITTED TO SECRETARY DUNCAN BY SENATOR D'AMATO

COLOMBIA

Question: Please explain to the committee what happened to the plan to establish a naval barrier off the northern coast of Colombia -- how the plan was originally revealed when it was classified Secret and what steps have been taken to prevent future embarrassment to the United States by premature revelation of counternarcotics operational plans?

Answer: DOD had planned to place a USN/USAF aerial and maritime counternarcotics screen in the Caribbean following coordination with countries in the region. This plan, which included a carrier battle group, is currently on hold, while other options to enhance detection and monitoring efforts are in development. Part of the coordination process is to brief affected US agencies and those countries adjacent to the area of operations. To avoid future security breaches, we are stressing operational security prior to every briefing and at the close. Moreover, the timing of each briefing, in relation to when the operation/enhancement is to commence will be critical. It is essential to continue these briefings in order to foster good relationships with the countries involved so they will in turn assist us in eliminating the world-wide drug problem.

Question: Please describe, to the extent classification permits, current operations off the northern coast of Colombia?

Answer: We are currently conducting routine detection and monitoring operations throughout the Caribbean. However, these efforts are not necessarily in close proximity to the north coast of Colombia and all operations are conducted in international waters. The operations involve Navy ships with Coast Guard law enforcement detachments onboard as well as AWACS, P-3 and other DOD aircraft. These operations are in close coordination with ongoing Coast Guard operations. The extent of actual operations could be briefed to you in a closed forum.

PERU

According to an April 22 New York Times article, the State Department authorized a $35 million military aid package to Peru The US is starting this military aid program to expand the Peruvian drug war and help that nation fight leftist guerrillas who protect coca growers and traffickers.

QUESTION: Please describe this new military aid program and wha specifically the $35 million will be spent on. When is the form announcement scheduled for this program? The Times indicated i was to be this week.

ANSWER: The military aid package is just one part of a larger counternarcotics assistance effort for Peru. There will be assistance provided from a number of agencies including the Stat Department and the Drug Enforcement Agency to assist Peru in effective military and law enforcement counternarcotics efforts. Enhanced training and additional equipment resources would be provided to allow for intensified operations against trafficking transportation, processing and cultivation areas. Severe budgetary constraints and inflation in Peru have reduced the ability of the military to support the police in their counternarcotics operations. The USG support would provide training, equipment, spares and communications to facilitate the capability of the military to support police interdiction effort This program was briefed to the House Foreign Affairs and Senate Foreign Relations Committees on March 22 and March 23. In order to preserve the viability of the plans and accomodate host natio sensitivities, no major public announcement is planned.

QUESTION: The article said money would be used to train and equ 6 battalions, provide 6 river patrol boats, and refurbish 20 A-3 ground-attack jets. Can you verify that?

ANSWER: The money will be used to enhance the military's capabilities to support police efforts through improved logistic We have maintained some flexibility in the types of equipment an training depending on the requirements of the country and the level of progress achieved by the units during training. The Peruvian Armed Forces would receive training to assist in air, river and land interdiction. We would expect that less than six battalions would be trained this year, but that our ability to train would increase in future years. The patrol boats and appropriate training would assist the Peruvian Navy in interdicting its extensive riverways. The aircraft would suppor surveillance, reconnaissance and interdiction efforts.

QUESTION: Is there a timetable for the establishment of the training base? Can you provide a detailed breakdown of how this money will be spent and what accounts this money will come from?

ANSWER: No decision has been reached on the establishment of a training base. It remains under review.

QUESTION: Can you comment on a reference in the article to the possible construction next year of a second anti-drug operation base in Peru in a coca-growing area around Tombo and Ene Rivers

ANSWER: This is not a DoD initiative.

ONDCP Review of DoD Budget Submission

Question: Has the Office of National Drug Control Policy (Drug Czar) exercised its budget review powers to conduct a detailed review of the Department's full Budget Submission?

Answer: The Department has worked closely with the Office of National Drug Control Policy (ONDCP) (Drug Czar) in the development of both the FY 1990 and FY 1991 DoD counternarcotics program. ONDCP has been provided written responses to requests for information, a number of tailored briefings, working conferences, and other communications in order that they were fully cognizant of the Department's budget proposals. For FY 1992, the Department will continue to provide detailed budget information, and in particular, specific budget/program information in response to the ONDCP FY 1992 Counternarcotics Budget Guidance, as part of the official budget certification process.

Relationship with NSC Staff

Question: Can you describe your relationship with the National Security Council (NSC) concerning the formulation of plans, budgets, and policy and can you describe what role Ambassador Miller, Director of the NSC, played in the process. In other words, who makes the decisions? Is it true that the NSC only had input into the Andean Strategy?

Answer: Counternarcotics issues such as the Andean Strategy require a coordinated effort from the many concerned agencies of the executive branch. As in the case of other important issues with national security implications, the National Security Council has an important role in achieving interagency coordination. Because the Office of National Drug Control Policy (ONDCP) similarly has a coordinating role, most interagency meetings which concern counternarcotics international initiatives are jointly chaired by the NSC staff and ONDCP staff.

The Department of Defense (DoD) is represented in all interagency forums which address counternarcotics policy. The Department's representation concerning international programs generally includes both the Office of the Under Secretary of Defense for Policy (USD(P)) and my office at levels appropriate to the forum. At "Deputies" meetings, typically USD(P) Wolfowitz and I attend. Ambassador Miller and other members of the NSC, as well as similar levels of ONDCP, ensure that the DoD is an active and full partner in the interagency process.

It is not true that the NSC only had input into the Andean Strategy. The Andean Strategy, developed over several months, was the result of interagency discussion from all appropriate Federal departments throughout the process. This development process was under the direction of a policy coordinating committee jointly chaired by the NSC staff and the ONDCP staff.

E-2C/E-3A Support

Question: The single largest expenditure in the Department's FY 1991 Counternarcotics Budget request is for the Over-the-Horizon Backscatter Radar (OTH-B) Central Sector procurement and military construction funds ($242.8 million of a total $1.2 billion counter- narcotics budget)? How much do you expect to spend in FY 1991 for E-2C and E-3A support to counternarcotics?

Answer: For FY 1991, $17.6 million (11,800 flight hours) is programmed to be expended for E-3A support to counternarcotics operations. $4.163 million (2,250 flight hours) is programmed to be expended for E-2C support.

Question: To what extent will OTH-B radar, when completed and operational, reduce the need for E-2C HAWKEYE and E-3A SENTRY AWACS missions in support of detection, monitoring, and interdiction?

Answer: We expect that when OTH-B is operational, the need for airborne detection mission support will be reduced substantially. Currently the USN and USCG E-2C AEW aircraft, and USAF E-3 AWACS provide gap filler coverage when the aerostats are down for maintenance, weather, or other reasons. When operational the OTH-B is intended to provide this complementary coverage. In addition OTH-B will also provide a deep look, long range air surveillance capability. This will allow the airborne sensors to be selectively employed for monitoring and interdiction support where more precise tracking and directing are required.

Question: A. What fraction of the time, on average, are tethered aerostats up and operating? B. Please explain how they are affected by thunderstorms and weather fronts. C. What do we do to cover gaps when aerostats are down for maintenance, weather, or other reasons?

Answer: A. On average tethered aerostats are up and operating approximately 70 percent of the time. (Actual FY90 performance through March 1990).

B. Severe weather can affect tethered aerostats in several ways. Lightning can strike and destroy the balloon, radar, or tether as well as interfere with telemetry, while high winds can exceed the tether strength causing it to break, or overstress the balloon damaging it.

C. When required, other airborne systems are provided to cover gaps present when the aerostats are down for maintenance, weather, or other reasons. These airborne systems include: USAF E-3 AWACS, USN and USCG E-2C AEW aircraft and USCS P-3 AEW aircraft. In the future Over-the-Horizon systems such as OTH-B and ROTHR will be available to complement the aerostat coverage.

Question: A. How would OTH-B radar be affected by weather conditions?

B. What is its expected availability rate based upon experience with the currently operating East Coast sector.

Answer: A. The OTH-B was designed for continuous, around-the-clock, all-weather operations and is not affected by weather conditions.

B. The Air Force is currently experiencing an 98.3 percent availability.

Question: Can you describe how OTH-B will be able to pass suspect targets on to precision intercept radars to guide interceptors and apprehension aircraft to targets.

Answer: Operationally the OTH-B is a deep-look, long range air surveillance radar which provides early warning and tracking of the air approaches to North America. In the counternarcotics role, it could be tasked to track a special interest target in any number of ways including informers tip-off. Once detected the OTH-B would pass the track information to the NORAD Sector Operations Control Center (SOCC). This tract information would be then passed through ADNET to the JTF and C3I; in the case of the Caribbean that would be JTF-4 and C3I-East. JTF-4 would task other DoD assets (AWACS, for example) to assist in monitoring the target, while C3I-East would task the interdiction asset (Customs aircraft) to intercept the target as its intent and final destination are determined.

$450 Million--Obligation/Expenditure Information

Question: Please provide for the record, what fraction of the $450 million appropriated for FY 1990 has, first, been obligated, and, second, been expended?

Answer: As of March 31, 1990 the $450 million was reduced by $2.5 million transferred to the Department of Treasury and by $3.3 million for sequestration. The remaining balance of $444.2 million was 6.8 percent obligated ($30.5 million) and less than 1 percent expended ($54,000). Although these totals are low, we expect our April 30 report to reflect a marked increase in both categories. A majority of the counternarcotics funding was not actually transferred to the Services and Defense Agencies until March. Obligation expenditure report data normally lags 45-60 days as a function of the formal reporting process.

$877 Million Obligated and Expended

Question: Please provide for the record, what fraction of the $877 million ($450 million appropriated and $427 transferred from other accounts) for FY 1990 has, first, been obligated, and, second, been expended.

Answer: As of March 31, 1990 the $877 million was 11.2 percent obligated ($97.8 million) and less than 1 percent expended. In addition, reprogramming requests of $130.5 million requiring Congressional approval are currently before the Congressional committees. For the same reason as stated in the response to Question 46, we expect a marked increase in subsequent obligation reports.

Management of the Department's Counternarcotics Budget

Execution of Counternarcotics Budget items is divided among six Unified and Specified Commands (Assistant Secretary of Defense (ASD) for Special Operations/Low Intensity Conflict; ASD for Reserve Affairs; ASD for Command, Control, Communication, and Intelligence, and a variety of Procurement and Research and Development Accounts).

Question: Please provide a detailed description, including flow charts and schedules, describing the management of the Departments' counternarcotics budget execution?

Answer: The FY 1989 National Defense Authorization Act established three new mission responsibilities for the Department of Defense (DoD). Congress authorized and appropriated $300 million in FY 1989 and $450 million in FY 1990 to accomplish these missions. In addition to these three new legislated mission areas, the Military Departments have funded demand reduction and OPTEMPO (flying hours, steaming days, training days) programs as part of the Departments' overall counternarcotics effort. A detailed summary of this information is described in the FY 1991 President's "Budget Justification of Estimates, Drug Interdiction and Counterdrug Activities, Defense", dated February 1990. In order to provide total counternarcotics program visibility, and facilitate centralized management, the Secretary of Defense has established, beginning in FY 1991, a central counternarcotics account. Accordingly, all DoD counternarcotics activities, with exception of military personnel accounts and NSA/DIA intelligence programs, which may be funded within the National Foreign Intelligence Program, are to be budgeted within this central account. For example, Service OPTEMPO programs will no longer include that portion which is counternarcotics related. Instead, counternarcotics OPTEMPO will be requested and budgeted through the central counternarcotics account and then transferred to the respective Service for program execution.

For FY 1989, 1990, and 1991, the CINCs, Services and Defense Agencies submitted specific projects for inclusion as part of the counternarcotics program. Each project was reviewed for its overall counternarcotics application, consistency with the National Drug Control Strategy, executability, outyear funding requirements, multi-mission applicability, and potential duplication of existing activities.

The DoD Drug Coordinator provides management oversight for the DoD counternarcotics program. Funds are transferred to the Military Departments and Defense Agencies for actual execution of approved individual projects which together comprise the overall counternarcotics program. Periodic obligation status reports are required from each activity receiving counternarcotics funds. No deviations to the approved counternarcotics program are authorized without the specific approval of the DoD Drug Coordinator.

Beginning with the FY 1992-1997 six year defense cycle, the DoD counternarcotics program will be fully integrated within the Planning, Programming, and Budgetary System (PPBS). As part of this cycle, periodic, to include mid-year program reviews, will be instituted in addition to other PPBS requirements.

QUESTION: Please describe, in detail, the process of the Department's counternarcotics policy formulation, to include the roles of participating offices, the degree to which counternarcotics mission requirements are considered in the defense planning guidance, and the role of the Joint Chiefs of Staff (JCS) and the Commanders-In-Chief (CINCs) in the process.

ANSWER: (Clerks Note: The Department failed to respond.)

Question: One of the missions assigned by law to the Defense Department was to integrate Counternarcotics Command, Control, Communications, and Intelligence C3I: (A) Please provide a detailed description of your plans to accomplish this mission including flow charts and schedules. (B) The Communications Interoperability Working Group (CIWG) essentially concluded that every agency should keep the gear and procedures it now has with the Defense Department providing interfaces and linkages. If you were to start with a clean piece of paper, is this how you would have solved the problem? What economies of scale and increased ease of joint operations could have been achieved by procurement of commercially available or military standard communications, computers, and intelligence equipment, including the establishment of standardized procedures across all participating agencies.

Answer: A. The key to the integration into an "effective communications network," the "command, control, communications, and technical intelligence assets of the United States that are dedicated to the interdiction of illegal drugs," is secure, interoperable, cost effective communication systems. These systems will permit effective communications between the regional DoD detection and monitoring activities, the C3I centers, and law enforcement agencies. The Drug Enforcement Telecommunications Implementation Plan (DETIP) provides the plans and schedules for implementing an interoperable, secure communications capability among the numerous agencies and operational facilities involved in drug enforcement activities. This plan is an ONDCP document and should be requested directly from them for release.

B. The DETIP is the most cost effective answer to the problem of interoperable secure communications implementation. It provided interfaces to already existing Law Enforcement Agency (LEA) communications networks and it supplements these networks with additional interoperable system. The Defense Communications Agency (DCA) has been designated as the lead agency within DoD for the implementation of the DoD-funded portion of the DETIP and the communications system that supports the Congressionally assigned detection and monitoring function. DCA is procuring commercially available or military standard equipment to satisfy this requirement. This strategy aggregates procurements (both DoD and LEA) using existing contracts, yielding a lower price while ensuring interoperability.

QUESTION: Secretary Duncan I noticed in your prepared statement starting at page 17 your agency has taken the lead for helping law enforcement, especially secure communications.

Are you aware that the Department of Defense has provided extensive secure communicaion assistance to law enforcement agencies in the past?

ANSWER: (CLERKS NOTE: Department failed to respond.)

Question: After the Goodwill Games in September, to what extent will this security equipment, including the communications equipment, be made available to the law enforcement community involved in counternarcotics activities?

Answer: The Department of Defense assists law enforcement agencies with security for special events where there are concerns about terrorism or other major security interests surrounding an international activity. This support occurs through: explicit authority and funding (e.g. Olympics, Pan AM Games, Goodwill Games, Inaugurals); or under provisions of the Economy Act (Universal Postal Congress, Economic Summit, World Fairs).

In many instances, assets are made temporarily available from the DoD inventory, and then returned to the loaning organization. DoD may procure resources for an event if specific authority and funds have been made available for that purpose. When an explicit appropriation is available for such special events, assets are procured to support law enforcement only if these can be used by Defense organizations to the long term benefit of the Defense mission. Particularly in the area of communications, such assets have been distributed after an event across DoD organizations based on the highest priority missions of the Department.

DoD believes it will be asked to continue its involvement in supporting security for other upcoming special events. It is in the taxpayer's interest to use the security equipment procured for the Goodwill Games, to include communications assets, for future support to law enforcement in connection with special events. This will reduce the amount of funding required to provide similiar security assistance, for those events in which the Federal government has a responsibility to insure public safety.

QUESTIONS SUBMITTED TO SECRETARY DUNCAN BY SENATOR SPECTER

The Prime Minister of Jamaica, Michael Manley, has proposed the creation of a multilateral strike force to target, pursue, and apprehend international drug traffickers. As you may know, the Anti-drug Abuse Act of 1988 (P.L. 100-690, 102 Stat. 4265) includes language expressing the sense of Congress that the President should call for international negotiations for the purpose of agreeing on the establishment of an international drug force to pursue and apprehend major international drug traffickers. In addition, on September 28, 1989, the Senate agreed to an amendment by a vote of 95-5 to the Fiscal Year 1990 Defense Department Appropriations bill providing that appropriations for DoD drug interdiction activities may be used to fund US participation in the multinational drug strike force called for in the 1988 Anti-drug Abuse Act. While acknowledging the difficulties the United States would face if it acted unilaterally, nevertheless many foreign leaders with whom I met support development of such a force in which the United States would participate and which would be utilized only at the invitation of the host country.

QUESTION: What actions, if any, has the Defense Department undertaken regarding development of a multinational strike force pursuant to the amendment ot the FY 1990 Defense Appropriations bill?

ANSWER: State Department has the lead with discussions with foreign nations on multinational efforts.

QUESTION: What are your views regarding the feasibility of and objectives in developing such a force?

ANSWER: It is very difficult to resolve some of the deep seeded regional rivalries which continue to plague regional relationships. Those aside, the lack of available Latin funds make this effort a difficult one to pursue. However, we will work with the State Department to determine its viability.

QUESTION: What recommendations would you provide to Congress for its consideration during future deliberations on this issue?

ANSWER: We need to determine the true commitment of host nations to a regional effort. Once State Department determines whether or not a regional consensus exists on a multinational effort, then we can pursue this concept further.

Recently, under the leadership of Secretary Cheney, the Defense Department has assumed a greater role in international anti-narcotics efforts. On April 13, 1990, I received an embassy briefing in Lima, Peru, on US efforts underway on interdiction, including the destruction of laboratories and processing facilities. Field operations have been enhanced by the increase in the number of helicopters which are used for eradication by transporting workers to destroy coca crops. During my Latin American trip, however, concerns were expressed that as the drug traffickers are squeezed the rough law enforcement efforts in Colombia, Bolivia, and Peru, they may move their operations to other countries such as Paraguay, Chile, and Argentina. We also found that other countries could benefit greatly from such support as that provided to Peru.

QUESTION: Please provide a comprehensive status report regarding the Defense Department's role in, and results obtained from, providing helicopters to Peru and other countries engaged in the war on drugs.

ANSWER: Airlift mobility is necessary to reach the isolated and difficult terrain of the coca growing regions. Insurgent activity along the roadways and the riverways make air travel an extremely favorable method of transportation. Without this capability to travel to remote and rugged areas, neither the police nor the military would have access to destroy, arrest or impede the clandestine activities of the traffickers.

QUESTION: What efforts, if any, are underway to assist other countries in Latin America, such as Paraguay, Chile, and Argentina, in their anti-narcotics efforts? What additional assistance can the Defense Department provide to assist the relatively newly elected

ANSWER: (CLERKS NOTE: The Department failed to respond.)

Earlier this month, I had the opportunity to discuss the drug issue at length with Argentine Interior Minister Mera Figueroa; Dr. Alberto Lestelle, the Secretary for the Prevention of Drug Abuse and Control of Narcotics Trafficking; Defense Minister Humberto Romero; and Acting Foreign Minister Carlos Ortiz DeRozas. We learned how Argentina has established a secretariat to fight drug trafficking and a national command to patrol its borders. Defense Minister Romero, however, advised that while the government is aggressively attacking the problem of drug trafficking, nevertheless the economic problem of hyperinflation limits the role of the armed forces. For example, of their six

C-130 transport plans which carry supplies to the border patrol fighting drugs, only two are operational for a lack of spare parts.

QUESTION: What additional role can the Defense Department play in assisting the Argentine anti-drug efforts at this critical time by supplying urgently needed spare parts?

ANSWER: Currently, the USG is focusing its efforts on the coca producing nations of the hemisphere: Peru, Bolivia and Colombia. We recognize that by focusing on these three nations, if we are effective, then drug activities should shift to other areas. We will be reviewing initiatives for the next fiscal year shortly and will carefully consider the needs of those countries where narcotics production could potentially shift. Argentina could be one of those countries.

QUESTION: What additional role can the Defense Department play in assisting that country through training of Argentine officers?

ANSWER: DoD has worked to establish stronger ties to the Argentine military and to stress the importance of civil military relations. We will continue to work with the Argentine militaries through various exchange programs to expose these officers to the democratic system and its ideals.

QUESTIONS SUBMITTED TO GENERAL CONAWAY BY SENATOR INOUYE

COUNTER-DRUG SUPPORT ACTIVITIES

Question: General Conaway, please provide an unclassified summary of state Guard plans.

Answer: All of the states, Guam, Puerto Rico, The Virgin Islands and the District of Columbia submitted counter-drug support plans for FY 90. Support tasks that have been approved by the Secretary of Defense include:

#	Task
1.	Ground reconnaissance
2.	Ground surveillance
3.	Ground transport of law enforcement officers
4.	Ground transport of seized property or contraband
5.	Aerial reconnaissance
6.	Aerial surveillance
7.	Aerial transport of law enforcement officers
8.	Aerial transport of seized property or contraband
9.	Ground Radar Monitoring
10.	Cargo Inspection, air/land/sea entry point
11.	Inspection of unoccupied air/watercraft, vehicle
12.	Training program for soldiers/airmen
13.	Training program for law enforcement officers
14.	Aerial photo/recon/surveil (OV-1D)
15.	Aerial photo reconnaissance (RF-4C)
16.	Liaison/planning/coordination/reporting
17.	Search for, collect and remove contraband
18.	Film processing for photo reconnaissance
19.	Transport DEA fuel and tanks to outer islands
20.	Aerial recon, flying hours only/IDT
21.	Security for radar sites
22.	Transport of seized watercraft
23.	Admin, intel, ADP and logistics support
24.	Engineer support
25.	Maintenance support

DETAILED BREAKOUT OF $70 MILLION FOR NATIONAL GUARD ANTI-DRUG SUPPORT OPERATIONS

STATE	DOLLARS AUTH
ALABAMA	$1,551,000
ALASKA	$835,000
ARIZONA	$2,364,000
ARKANSAS	$992,000
CALIFORNIA	$7,991,000
COLORADO	$244,000
CONNECTICUT	$62,000
DELAWARE	$134,000
DISTRICT OF COLUMBIA	$2,349,000
FLORIDA	$6,037,000
GEORGIA	$2,429,000
GUAM	$279,000
HAWAII	$708,000
IDAHO	$235,000
ILLINOIS	$222.000

INDIANA	$333,000
IOWA	$326,000
KANSAS	$349,000
KENTUCKY	$2,751,000
LOUISIANA	$1,829,000
MAINE	$488,000
MARYLAND	$906,000
MASSACHUSETTS	$1,036,000
MICHIGAN	$474,000
MINNESOTA	$555,000
MISSISSIPPI	$1,104,000
MISSOURI	$507,000
MONTANA	$296,000
NEBRASKA	$756,000
NEVADA	$191,000
NEW HAMPSHIRE	$0
NEW JERSEY	$1,562,000
NEW MEXICO	$654,000
NEW YORK	$4,912,000
NORTH CAROLINA	$2,144,000
NORTH DAKOTA	$88,000
OHIO	$378,000
OKLAHOMA	$532,000
OREGON	$1,216,000
PENNSLYVANIA	$1,019,000
PUERTO RICO	$691,000
RHODE ISLAND	$143,000
SOUTH CAROLINA	$1,904,000
SOUTH DAKOTA	$129,000
TENNESSEE	$668,000
TEXAS	$10,936,000
UTAH	$509,000
VERMONT	$62,000
VIRGINIA	$931,000
VIRGIN ISLANDS	$130,000
WASHINGTON	$316,000
WEST VIRGINIA	$120,000
WISCONSIN	$286,000
WYOMING	$25,000
AIRLIFT	$912,000
MANAGEMENT	$1,400,000
TOTALS	$70,000,000

May 2, 1990

COUNTER-DRUG SUPPORT ACTIVITIES

Question: General Conaway, last year Members of Congress, at the behest of the State Adjutants General, requested that funds be earmarked for drug interdiction efforts in specific states. This committee is strongly opposed to this concept. What steps are you taking with the State Adjutants General to ensure they do not lobby for earmarking in FY 1991?

Answer: The National Guard Bureau is also strongly opposed to the concept of Congressional earmarking counter-drug activity funding for specific states. I have made this known to the Adjutants General and have been assured their activities will conform to National Guard Bureau policy and the law.

QUESTIONS SUBMITTED TO ADMIRAL IRWIN BY SENATOR INOUYE

COAST GUARD/DEFENSE ROLE IN DRUG INTERDICTION

Question: Admiral Irwin and Admiral Leahy, you are both Coast Guard Admirals in charge of joint Department of Defense anti-narcotics task forces. Last year this Committee's report stated "In the war on drugs, the Coast Guard is literally the fifth military service." Do you agree with this statement? How do you determine which missions in your areas should be performed by Coast Guard forces instead of Air Force or Naval forces?

Answer: The U.S. Coast Guard is "literally the fifth military service." Joint Task Force Four conducts drug smuggling threat assessments and develops a detection and monitoring strategy for the USCINCLANT area of responsibility in conjunction with the U.S. Coast Guard and other law enforcement agencies. Assets of the various military services (including USCG) are allocated against this strategy as mutually agreed to by the Services and based on the most effective utilization of assets considering their unique capabilities.

QUESTION: Coast Guard law enforcement personnel or LEDETS serve aboard Navy ships to conduct search and seizure operations. Due to increased Navy operating tempo in support of drug interdiction, has the Coast Guard increased the number of LEDET personnel?

ANSWER: As you know, Senator, the mission of Coast Guard LEDET personnel embarked in U.S. Navy surface patrol units is to appropriately enforce U.S. law. Due to the increased role of the U.S. Navy in providing surveillance platforms from which to operate on the high seas, the Coast Guard has increased LEDET manning levels in PACOM AOR. With regard to exact numbers and precise funding levels to support additional manning, I defer to the Commandant of the Coast Guard. I would like to emphasize that when tasked to supply LEDET personnel to a U.S. Navy surface patrol unit, the Coast Guard has complied in each and every instance during my tenure as Commander, Joint Task Force FIVE.

Question: Does the Administration's FY 1991 budget for the Coast Guard evidence an increase in Coast Guard counternarcotics operations commensurate with the Defense Department's buget?

Answer: I am not in a position to adequately assess this. From a JTF-4 perspective I would say the answer is YES. Communication connectivity represents a substantial portion of budgeted funds for the Coast Guard and the LEA's increasing roughly 20% in FY 91. JTF-4 has orchestrated the procurement of desk top computers for various networks on cutters as well as Navy fleet ships. Coast Guard ship days and aircraft hours are increasing at the same rate as utilization of other DOD assets in the LANTCOM area of responsibility and are expected to do so in the future.

QUESTIONS SUBMITTED TO ADMIRAL IRWIN BY SENATOR BYRD

SERVICE ROLES UNDER JTF-4

Question: What is the role of each of the Services under the Joint Task Force in drug interdiction? Have any problems arisen in communication or coordination of efforts because of the nature of the Joint Task Force (because it is comprised of several components)?

Answer: In my opinion, from the DOD prespective, JTF-4 is a perfect example of how a joint task force should function. Considering our area of operations, each Service is well represented on my staff and in key positions. They participate actively in our planning and assembling of intelligence, and in our control of operations. In the actual conduct of operations, assets from each Service are employed to support the Detection and Monitoring mission based on the unique capabilities they possess. No rivalries or jurisdiction disputes have arisen. I have had complete cooperation. There have been a few communication shortcomings but they are of a technical nature. They have been addressed and have either been overcome or soon will be.

FY 89/90 FUNDING SUMMARY

Question: Please provide for the record a summary of the funding the Joint Task Force received in FY 89 and FY 90 for drug interdiction efforts. What has been accomplished with the funding: How much of the FY 91 budget request is specifically for Joint Task Force Four?

Answer: Besides staff operating funds of five and eight million dollars for FY 89 and FY 90, respectively, JTF-4 has been allocated eighteen million dollars of procurement funding of which 70% has been obligated to date. The remainder is expected to be utilized by the end of FY 90. Procurement includes upgrade of in-house ADP systems, communications networking of command centers and tactical units, command and control facility, SATCOM terminals and teleconferencing links. While most of the FY 91 LANTCOM counternarcotics budget is planned for use by the Services, JTF-4 will control eleven million dollars.

COORDINATION WITH NGB

Question: I am advised by General Conaway that on any particular day, the National Guard has upwards of 1,000 members involved in drug interdiction efforts. To what extent do you coordinate your efforts with the National Guard Bureau?

Answer: The National Guard Bureau takes part in the JTF-Four quarterly planning conference. For short periods of time, we have had a NGB liaison officer assigned to JTF-Four. JTF-Four has a billet for a permanently assigned National Guard Officer on the staff which is anticipated to be manned within the next two months.

We interact with NGB manned radar sites in the Bahamas on a daily basis. Additionally, the Air National Guard flies maritime surveillance missions in support of the law enforcement agencies and occasional reconnaissance flights for JTF-4.

AEROSTATS

Question: How have aerostats aided in the surveillance of smugglers?

Answer: In our area of operations, land based aerostats serve primarily as an area of denial; i.e., drug smugglers try to avoid them. This serves a useful purpose, especially in key areas such as the Bahamas. Tactically mobile aerostats with air search radars on seaborne platforms, such as the U.S. Army seaborne aerostat surveillance system (SASS), are viewed as a significantly improved capability for detecting air smuggling activity.

DRUG INTERDICTION PROBLEMS

Question: What, in your opinion, is the biggest problem the Joint Task Force faces in its drug interdiction efforts and how can it be resolved?

Answer: I do not believe we have any "big" problems. There are, however, two areas which could make our job easier. First, it seems to be clear from legislation that the intent of Congress was that DOD should be in charge of detection and monitoring; i.e., the "Single Lead Agency." By the same token, it is widely accepted that the Law Enforcement Agencies are responsible for interdiction which, in addition to intercept and apprehension, included detection and monitoring. This is a dichotomy that at times creates confusion as to who actually has overall responsibility for this vast array of assets. The DOD should be in charge of detection and monitoring outside the territorial jurisdiction of the United States. The Law Enforcement Agencies, because of their special expertise and authority, should be clearly in charge of intercept and apprehension.

The second area has to do with intelligence. If we are to be truly successful in detection and monitoring, intelligence is key. We are currently restricted from using crucial intelligence which can be linked to U.S. citizens. In my opinion, Congress should amend the rules pertaining to the use of intelligence against terrorists to also include drug smugglers.

COAST GUARD OPERATIONS COMPUTER CENTER

Question: Will the Joint Task Force operate in connection with the new Coast Guard Operations Computer Center in Martinsburg, West Virginia? Can any Joint Task Force activities be transferred to the Computer Center?

Answer: Joint Task Force Four has automated intelligence connectivity with the Commander, Atlantic Area, USCG via the Joint Maritime Intelligence Element (JMIE) system. Assuming the system is installed at the new Coast Guard Operations Center at Martinsburg, West Virginia, similar connectivity will exist. Joint Task Force Four provides tactical intelligence and target data to a significant number of DOD and law enforcement command nodes via an automated data link called the Anti-Drug Net (ADNET). Connectivity to this system could be made available to the new Coast Guard Operations Center; however, no actual JTF-4 activities will be transferred to the Center.

QUESTIONS SUBMITTED TO ADMIRAL IRWIN BY SENATOR D'AMATO

DETECTION AND MONITORING IN THE DEEP CARIBBEAN

Question: It is our understanding that under the defense-in-depth concept, JTF-4 will detect and monitor suspect air-borne smugglers coming across the Caribbean.

Close to U.S. airspace, these targets will be passed to the Joint Customs/Coast Guard (C3I) Command Center at Richmond Heights in Florida so that puruit aircraft can intercept and arrest drug smugglers flying into the United States.

Do you believe that JTF-4 has adequate resources to conduct detection and monitoring operations in the deep Caribbean and maintain contact with airborne targets on the way to hand-off?

Answer: JTF-4 does have adequate resources to conduct detection and monitoring operations in the deep Caribbean and maintain contact with airborne targets on the way to hand-off. Planning for further enhancement of these operations is in progress and will utilize further increases in detection and monitoring resource levels.

TARGET HAND-OFF

Question: Do you believe that Customs/Coast Guard have adequate resources to accept hand-off of targets approaching the U.S. Coast?

Answer: We believe that USCS and USCG have adequate resources to meet the current threat as we know it.

OPERATIONAL COOPERATION

Question: How do you evaluate your progress to date in operational coordination between JTF-4 forces in the deep Caribbean and Customs and Coast Guard forces closer to the U.S. mainland? Please describe notable successes and any outstanding problems that remain to be resolved.

Answer: Progress to date in operational coordination and utilization of assets between JTF-4 Caribbean forces and USCS/USCG forces closer to the mainland has improved significantly over the year since JTF-4 was established. This is particularly true with respect to air smuggling traffic in the South Florida/Bahamas/Puerto Rico area. Known air smuggling attempts in these areas have been reduced by approximately 50% over the last seven months and the success rate for joint DOD/law enforcement forces has roughly tripled during the same period. Better integration of the air and surface detection/monitoring capabilities of dual-purpose surface ships is required and will be effected during anticipated, near-term enhanced counternarcotics operations.

QUESTIONS SUBMITTED TO ADMIRAL LEAHY BY SENATOR INOUYE

Coast Guard/Defense Role in Drug Interdiction

Question: Admiral Irwin and Admiral Leahy, you are both Coast Guard Admirals in charge of joint Department of Defense anti-narcotics task forces. Last year this committee's report stated, "In the war on drugs, the Coast Guard is literally the fifth military service." Do you agree with this statement? How do you determine which missions in your areas should be performed by Coast Guard forces instead of Air Force or Naval Forces?

Answer: Yes, the Coast Guard is and always has been a principal and fully integrated partner in the effort. With regard to mission allocation, as you know the Pacific Command area of responsibility (AOR) encompasses over 100 million square miles of ocean. Within this vast AOR, mission planning is accomplished by taking into account the nature of the mission (type of target), geographic location of the target, available response platforms within the AOR and the capabilities of response platforms available to meet the mission needs. There is no set rule of thumb utilized to determine which branch of the Department of Defense or the Coast Guard will respond to a mission tasking. I match mission requirements with platform availability and capabilities and assign the unit best suited to the task.

Question: Coast Guard law enforcement personnel or LEDETS serve aboard Navy ships to conduct search and seizure operations. Due to increased Navy operating tempo in support of drug interdiction, has the Coast Guard increased the number of LEDET personnel?

Answer: As you know, Senator, the mission of Coast Guard LEDET personnel embarked in U.S. Navy surface patrol units is to appropriately enforce U.S. law. Due to the increased role of the U.S. Navy in providing surveillance platforms from which to operate on the high seas, the Coast Guard has increased LEDET manning levels in PACOM AOR. With regard to exact numbers and precise funding levels to support additional manning, I defer to the Commandant of the Coast Guard. I would like to emphasize that when tasked to supply LEDET personnel to a U.S. Navy surface patrol unit, the Coast Guard has complied in each and every instance during my tenure as Commander, Joint Task Force FIVE.

LANTCOM/PACOM Coordination

Question: The dividing line between Atlantic Command and Pacific Command essentially runs from Panama south to the coast of Ecuador, having the Pacific Ocean area off Colombia's west coast under Atlantic Command jurisdiction.

This area has been described as a "black hole" for military counter-narcotics operations because of the location of this boundary. Please describe the process of coordination and conducting military operations across this boundary.

Answer: Senator, the dividing line between LANTCOM area of responsibility (AOR) and PACOM AOR is the 92W longitudinal which runs south from a point near the border between Mexico and Guatamala. As Commander, Joint Task Force FIVE, with a primary mission of counter-narcotics operations, I can only answer this question as it pertains to our anti-drug efforts. In this regard, operational planning, asset allocation/utilization, command/control/communications and intelligence gathering/sharing across the CINCPAC/CINCLANT area of responsibility (AOR) boundary are subject to a joint planning process involving CJTF FIVE, US-CINCPAC, CJTF FOUR, UNCINCLANT, USCINCSO, DEA, U.S. CUSTOMS SERVICE and the U.S. COAST GUARD. Intertheater proposals are staffed by respective commands, procedural differences solved by joint agreement and then the proposals are forwarded to CJCS for review and execute authority. Participating units are thus fully briefed and make the transition using well established Unified Commander's procedures.

Heroin Trafficking

Question: You are responsible for detection and monitoring focused on the heroin traffic from Southeast Asia. As you are aware, heroin is a major problem in New York. It is accorded a high priority in the National Drug Control Strategy. Please tell the committee what you are doing to attack the heroin trafficking problem.

Answer: I share your concern about the problems arising from the use of heroin in our society. With reports of increased use of smokable forms of heroin beginning to pour in, it appears that heroin use will become an even greater problem in the future unless effective actions are undertaken now to attack the problem. To assist in the attack, I am presently working with the Drug Enforcement Agency in a special operation designed to decrease the flow of heroin from the major production areas in Southeast Asia. Working closely with DEA personnel, my staff has identified areas where DOD intelligence collection, analytical, and production capabilities can support the objectives of the DEA operation and has initiated actions within DOD channels to focus collection and reporting on these areas:

- Shipment/transit to storage areas
- Analysis/collection against precursor chemicals
- Movement of traffickers

Additional support to DEA objectives in this operation is being mutually planned. I firmly believe that this process of inter-agency cooperation in identifying areas where assistance is needed, where the intelligence gaps exist, and the sharing of intelligence is absolutely critical to successful interdiction operations. I can assure you that we are moving forward in close coordination with law enforcement in our attack on the heroin trafficking problem here in the Pacific.

Question: What do you believe are your greatest shortfalls and needs in pursuing the heroin traffic?

Answer: From my tactical perspective, the most significant problem is the lack of timely and reliable human intelligence (HUMINT) on heroin trafficking operations. (This same HUMINT shortfall can be expanded to include trafficking in all other forms of narcotics as well). I need effective HUMINT sources to give me reliable and timely answers to the who, what, where, when, by what means, etc., questions that are critical to the support I am trying to provide to my federal law enforcement colleagues. Recognizing that the process of identifying, co-opting, training, and grooming HUMINT sources is time consuming, I believe that the creation of an effective HUMINT network will greatly benefit the objective of interdicting heroin. To do this, we need to expand HUMINT initiatives and continue to solicit support and cooperation from indigenous governments of countries involved with the production and transit of heroin/narcotics.

Question: Since a great deal of the heroin smuggled across the Pacific is transported unwittingly aboard commercial shipping and aircraft, what are you doing to identify and track suspect vessels?

Answer: The monitoring of commercial shipping and commercial aircraft enroute to destinations in the U.S. is a much easier task due to their operations schedules than attempting to do the same with non-commercial aircraft and shipping. By working closely with agencies such as the U.S. Coast Guard, U.S. Customs Service, DOD organizations (such as Naval Intelligence) and by accessing Lloyd's of London Data Bases, we have a very good capability to identify the arrival of commercial shipping/aircraft at U.S. Pacific ports of entry. However, with hundreds of commercial ships/aircraft enroute/arriving U.S. Pacific rim ports of entry each day, our primary problem is identifying those commercial carriers actually carrying heroin or other illegal narcotics on-board.

The detection and monitoring of non-commercial ships and aircraft is now (and will probably remain) a far more difficult problem given the great expanse of the Pacific and Indian Ocean areas. Identifying the good guy from the bad guy is extremely difficult and dependent upon timely, reliable intelligence. Once a target has been identified, we conduct an intensive all-source intelligence effort that seeks to integrate the combined efforts and capabilities of all law enforcement and DOD agencies (including fleet, theater and national level technical, analytical, production, and collection capabilities). Our challenge is great, but we are making progress with the mission.

Question: Have your requests for assistance from U.S. national resources been met or can they do more?

Answer: The overall response to our specific requests for assistance from U.S. national level intelligence resources has been superlative. Within legal constraints, our requests have been quickly and consistently validated and assigned to appropriate national collection systems. The positive, can-do attitude towards the counter-narcotics program shown by all levels of the national agencies with which we work has been most encouraging. All of the national agencies are realigning their organizations to shift resources to improve support to the counter-narcotics mission. We fully expect to directly benefit from these further improvements.

QUESTIONS SUBMITTED TO GENERAL STOTSER BY SENATOR DeCONCINI

OPERATION ALLIANCE

Question: When I was in Arizona recently and met with state and local law enforcement officials, they raised several concerns in regard to military anti-drug operations along the Southwest border. One of their principal concerns is being made aware and kept in the loop on what operations are being planned along the border. Last fall the Senate passed an amendment I introduced that requires that DoD coordinate all anti-drug operations on the Southwest border with Operation Alliance. What is the relationship of JTF-6 with Operation Alliance and are you coordinating all operations through alliance?

Answer: Operation Alliance, established in 1986, is a cooperative multi-agency effort that coordinates and promotes effective cooperation between federal, state, and local law enforcement agencies along the Southwest border. Operation Alliance acts as a conduit between law enforcement agencies requesting DoD support and Joint Task Force-Six. Joint Task Force-Six is in the business of providing timely, quality support to Operation Alliance and, in spite of cultural and procedural differences, the relationship grows stronger daily. Law enforcement agents, representing Operation Alliance, work as functional members of the task force staff and a military officer has been detailed to work full-time at Operation Alliance. In summary, the cooperation and free-flow of communication between Operation Alliance and Joint Task Force-Six has been extraordinary and, we at Joint Task Force Six, are extremely proud of the progress that both organizations have made in a relatively short period of time.

Question: Do you believe that Operation Alliance is getting the attention and resources necessary from the administration to handle its coordinating role along the border?

Answer: Operation Alliance is certainly getting the attention and resources it needs to handle its coordinating role along the border, given the recent appointment of a Director of Operation Alliance and designation of the Southwest border as a high intensity drug trafficking area. But the Alliance, and the federal agencies which are represented therein, are not sufficiently funded for their operational needs. DoD forces can only act as a force multiplier along the border if there are sufficient law enforcement personnel to do the actual interdiction mission.

AVAILABILITY OF MILITARY RESOURCES

Question: A second concern relates to state and local agencies being able to utilize military resources in a timely fashion. What sort of time frame do you estimate between when an agency makes a request of JTF-6 and when that assistance will be provided?

Answer: JTF-6 has been responding to DLEA requests on a recurring basis since Jan 90. The response time for a given request depends on the type of support requested. For a piece of equipment, formal training, and use of DoD facilities, this type of request can be processed and approved in a very short time period. Request for operational support, involving the planning for and movement of tactical units takes much longer. Our goal, on a deliberate planning cycle, is to provide the support within 90 days of the request. However, we have put troops on the ground within 30 days. When we get to a sustained operations capability I intend on making military units available on very short notice of anticipated types of support (transportation, reconnaissance, etc).

Question: What type of assistance has JTF-6 been able to provide to state and local law enforcement agencies?

Answer: Since the formal announcement, on 13 Nov 89, the Secretary of Defense approving the establishment of Joint Task Force Six, we have in the past and are currently providing quality support to law enforcement agencies. Ongoing actions and operations to date include; Ground Radar Surveillance; Sensor Operations; Ground/Air Transportation; Mobile Training Teams; Ground Reconnaissance; and the sharing of intelligence information. All of the above have been at the request of Operation Alliance and forwarded to Washington for interagency review and JCS approval.

OH-58D

Question: Last October, I understand that the Army demonstrated the capability of the OH-58D Kiowa Warrior Surveillance helicopter to the U.S. Customs Service for the purpose of surveillance along the Southwest border. Customs and the Arizona National Guard have confirmed for me that this aircraft is an ideal platform for the detection and sorting of land, vehicle and other drug smuggling activities between ports of entry. Likewise, the border patrol representative for Operation Alliance supports the use of this aircraft by his agency to perform their mission between ports of entry in the southwest. Given the capability of the OH-58D helicopter to detect smuggling activity in all types of weather and at considerable distance combined with its ability to data-link the information to C-3-I center in California, what plans does the Army have to deploy this aircraft in direct support of anti-narcotics operations along the U.S.-Mexico border?

Answer: The Border Patrol, through Operation Alliance, is currently preparing a request for low-visibility aerial surveillance which is appropriate for the OH-58D helicopter. We already have a commitment from Forces Command to make those assets available for use along the Southwest border. I anticipate that the Kiowa will help fill the gap between detection by sensors and other surveillance devices, thus helping conserve manpower required for reaction teams between the ports of entry.

DISPOSING OF CONTRABAND CHEMICALS

Question: The final issue I raised in my letter to Sec. Cheney related to the military providing support to federal, state, and local law enforcement agencies in disposing of hazardous chemicals found in illegal drug laboratories. Up to this point DEA has been performing this mission to help state and local agencies. At this point, they are having trouble keeping up with the workload and I believe their time would be better spent performing their enforcement mission. Have you given this any thought and do you believe that is role which the military could perform?

Answer: We have reviewed the suggestion to use DoD resources to dispose of contraband chemicals. With the exception of some munitions/ordnance disposal, hazardous waste disposal is normally accomplished by contractors who transport the waste to non DoD destinations for recycling, or disposal. Disposal of hazardous chemicals is not a suitable mission for DoD.

Question: If the OH-58D helicopters were made available in the FY 91 budget cycle, would you make them available to the Arizona National Guard and the guard in other Southwest border states?

Answer: The OH-58D has proven to be a very valuable day/night warfighting asset. Currently, the Army has been budgeted to field 243 OH-58D helicopters in the active component against a requirement of 592. As a result, a significant shortfall will exist. The Army is in the process of addressing its aviation modernization program in light of current budget constraints - to include a distribution plan for scarce assets. Distribution decisions will be made at departmental levels based on warfighting priorities. On a mission type basis, OH-58Ds could possibly be made available to support the counternarcotics mission.

Question: Would it not also be wise to give the newly-remodeled Kiowa Warrior helicopter to these National Guard units that are already scheduled to receive the Apache helicopter since the aircraft complement one another?

Answer: A fielding plan will be developed at departmental levels with distribution to high priority warfighting units. Current plans do not assign the aircraft to AH-64 APACHE units in either the active or reserve components. As previously discussed, given the number of OH-58Ds programmed to be fielded, the Army will have a significant shortfall.

QUESTIONS SUBMITTED TO GENERAL STOTSER BY SENATOR D'AMATO

U.S.-MEXICAN BORDER OPERATIONS

Question: JTF-6 is charged with conducting operations along the U.S.-Mexican border. Please describe the guidance you have received concerning the use of U.S. military personnel along that border.

Answer: Joint Task Force-Six serves as a planning and coordinating headquarters. It is responsible for coordinating all DoD support to federal, state, and local law enforcement agencies aimed at stemming the flow of illegal drugs entering the United States along the Southwest border. Joint Task Force-Six provides advice and assistance on the employment of active and reserve forces, as well as, coordinating with the National Guard to ensure unity of effort. As you know, we do not conduct unilateral operations and only respond to requests and missions passed to us by Operation Alliance. Our mission is to help carry out the President's National Drug Control Strategy. We assist law enforcement agencies by providing all available DoD capabilities and assets required to detect, deter, and disrupt the trafficking of illegal drugs across the Southwest border. Military support may include, but is not limited to, aerial reconnaissance, ground surveillance, transportation, sensor operations, mobile training teams, engineer support and anything else within DoD inventory that is appropriate for a given mission. The U.S. military serves in a support role to law enforcement agencies along the Southwest border, but we are not in the law enforcement business, nor do we want to be. As you know, the Posse Comitatus Act prohibits direct involvement by federal military personnel in search, seizure, arrest, or similar activities. Therefore, these functions are handled by law enforcement agents. Every effort is made to minimize the possibility of placing military members in confrontational or threatening situations, but because of the associated risks involved in Counternarcotics Operations, our personnel, when conducting operations, are armed and operate under peacetime Rules of Engagement.

COORDINATION PROCESS

Question: Please explain your coordination process with Customs Service, Border Patrol, Counternarcotics Operations conducted by State National Guard Units (under Defense Department Counternarcotics funding), and state and local authorities.

Answer: As mentioned previously Joint Task Force Six will not be conducting unilateral operations, but respond only to requests from Operation Alliance. Requests received at Operation Alliance, that are of the nature and type that can best be supported by the DoD, are forwarded to Joint Task Force Six in the form of an official Request for Military Assistance (RMA). Once received by JTF-Six the request for military assistance is thoroughly staffed both internally and externally and forwarded through Forces Command to Washington for interagency review and JCS approval. While the request is working its way through the various channels, the deliberate planning process has already begun at Joint Task Force Six in order to match-up an appropriate military organization with the customer (Border Patrol, DEA, Customs, etc). Once the operational concept is approved at JCS, detailed planning is conducted between Joint Task Force Six, the supporting military units, and the customer law enforcement agency resulting in a joint operations order leading to mission execution. Although not under the auspices of the Joint Task Force Six, National Guard forces have been conducting Counternarcotics operations for a number of years. They operate under the authority of the state governors and are included in our coordinating and planning process to ensure effectiveness and unity of effort between Joint Task Force Six, Operations Alliance, and the National Guard. Currently, we have National Guard representatives assigned to our Headquarters and are in the process of placing active duty military liaison officers with the four border states. The coordination process moved in an expeditious manner and has worked well to date. We anticipate that once we gain additional experience in providing DoD support to Counternarcotics Operations and the various law enforcement agencies become more comfortable and confident in our abilities, the approving authority for standard operations will be vested at a much lower level.

Question: What is your relationship with Operation Alliance, Joint DEA and Customs Operations along the Southwest border?

Answer: Operation Alliance, established in 1986, is a cooperative multi-agency effort that coordinates and promotes effective cooperation between federal, state, and local law enforcement agencies along the Southwest border. Operation Alliance acts as a conduit bwtween law enforcement agencies requesting DoD support and Joint Task Force Six. Joint Task Force Six is in the business of providing timely quality support to Operation Alliance and, in spite of some procedural differences, the relationship grows stronger daily. Law enforcement agents, representing Operation Alliance, work as functional members of the task force staff and a military officer has been detailed to work full-time at Operation Alliance. In summary, the cooperation and free-flow of communication between Operation Alliance and Joint Task Force Six has been extraordinary and we at Joint Task Force Six are extremely proud of the progress that both organizations have made in a relatively short period of time.

SUBCOMMITTEE RECESS

Senator **INOUYE**. The subcommittee will now recess until Thursday, April 26, at 9:30 a.m., when we will meet in closed session to discuss intelligence programs.

Once again, thank you very much.

Mr. **DUNCAN**. Thank you, Mr. Chairman.

[Whereupon, at 11:51 a.m., Tuesday, April 24, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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